How can we understand the role of internal politics in the negotiations about the future relationship between the UK and EC after the UK leaves the EU?

By Anne-Mette Damkjær
(920810-T080)
Abstract

This thesis aims to examine the role that the internal politics of the UK and the EU has on their ability to act as leaders in the so-called Brexit negotiations. The study focuses in particular on issues related to the future trade relationship between the two parts. It builds on functionalist and rational institutionalist understandings of international institutions and assumes that the European commission is a supranational institution with an independent ‘actorness’. First the internal politics and the EU and the UK is examined, especially focusing on the level of agreement or disagreement between internal actors. Thereafter, different concepts of leadership developed by Arild Underdal and Oran Young is used to investigate how the level of internal cohesion affects both parts’ abilities to influence the negotiations through leadership. The study finds a high level of unity between the different EU institutions, while it finds a high level of disagreement on several issues within the British government. It is concluded that this influences the parties’ abilities to exercise effective leadership in several ways. As these negotiations at the current stage are on-going, this study does not make conclusions about the actors ability to influence the negotiation outcome. It focuses specifically on the negotiations as they took place within a limited timeframe between the 14th of February and 23rd of April 2018.

Keywords: International negotiations, Leadership, Brexit, Internal politics, Supranationalism, Structural Leadership, Instrumental leadership, Entrepreneurial leadership
Contents

List of abbreviations

1.0 Introduction 1
   1.1 research area and purpose 1
   1.2 Premise 3
   1.3 Thesis structure 4
   1.4 Remarks 4

2.0 Literature Review 5
   2.1 Brexit in academic literature 5
   2.2 Brexit: Bilateral or multilateral negotiations? 7
   2.3 Theorizing negotiations: A paradigm, not a theory 9
   2.4 The role of internal politics in international negotiations 11
   2.5 The role of leadership in international negotiations 13

3.0 Theoretical Framework 16
   3.1 Internal politics 16
   3.2 Definitions of Leadership and leadership resources 17

4.0 Methodology 19
   4.1 Ontology and epistemology 19
   4.2 Case study 20
   4.3 Qualitative textual analysis 22
   4.4 Delimitations 23
5.0 Analysis

Part 1 An analysis of internal unity and leadership of the EU

5.1.1 Agreement between EU institutions
  5.1.1a Council guidelines and EP resolution (2018/2573(RSP))
  5.1.1b Michael Barnier on behalf of the European Commission

5.1.2 Leadership resources and practises of the European Commission
  5.1.2a Structural leadership by the EC
  5.1.2b Instrumental Leadership by the EC
  5.1.2c Entrepreneurial Leadership or not?
  5.1.2d Conclusions about EU leadership

Part 2 The UK: Internal disagreement and leadership difficulties

5.2.1 An internal divide within the British government?
  5.2.1a National preference formation in a divided government
  5.2.1b varying levels of agreement
  5.2.1c Changing negotiation positions

5.2.2 British leadership resources and practises
  5.2.2a Failed British attempts of structural leadership
  5.2.2b UK: Inferior in instrumental leadership resources
  5.2.2c Creative ideas and entrepreneurial leadership
  5.2.2d Conclusions about UK leadership mobilization

6.0 Conclusion

6.1 Summery
6.2 Key findings
6.3 Remarks
List of abbreviations

EC    European Commission
ECJ   European Court of Justice
E.C.L European constitutional law
ECM   European Council
EP    European Parliament
EU    European Union
EU27  The EU member states excluding the United Kingdom
FTA   Free Trade Agreement
UK    United Kingdom
WTO   World Trade Organization
Introduction

1.1 Research area and purpose

The 23rd of June 2016 makes an important date in the history of the European Union (EU). On this day the United Kingdom (UK) voted in a referendum to leave the EU, as the first independent member state to do so in the history of the EU.

The unexpected decision for the UK to leave the EU has created a lot of speculations about why this happened and a lot of thought has been put into trying to predict the consequences for future European integration, for the British economy, for the Belfast agreement and for the future relationship between the UK and the EU.

In the realm of politics, leaders of the remaining 27 EU member states (EU27) are discussing how to structure the next multiannual financial framework without the financial contribution of the UK and the need to reform the current design of the structural funds.

Members of the European Parliament (MEPs) speculate in how to structure the groups within the EP after the next parliamentary election in the Spring 2019 when the European Parliament (EP) goes from 736 to 663 members.

And in academia questions are being asked about whether existing theorizing about regional integration sufficiently cover possibility of counter-integration.

The EU has always been the main empirical example of theorizing about regional integration. This situation that is never seen before in the history of the EU is therefore an interesting case for several different areas of theorizing with in international relations (Haas, 1961; Haas, 1975; Moravcsik, 1999; Risse, 2005; Hooghe and Marks, 2008).

Stepping away of questions specifically concerned with regional integration, this thesis focuses on the area of negotiation analysis.
Much research related to the empirical case of the Brexit negotiations is predictive studies trying to predict outcome of the negotiations between the UK and the EU27 or goes further in studying the possible consequences of different scenarios (Gutmann and Scherer, 2017; Cappariello, 2017; Hohlmeier and Fahrholz, 2018; Ringe, 2018; Dörry, 2017).

This thesis takes a less predictive approach. The purpose of this thesis is to understand the nature of the current negotiations between the UK and the EU27.

This is relevant because a lot of existing theorizing about international negotiations suggest that parties that engage in continues negotiations with each other are likely to develop a negotiation culture that can affect future negotiations (Boyer et al., 2010: 50).

Within the EU negotiations are defined by a strong consensus culture. This consensus culture is not in all cases a necessity according to European constitutional law (ECL), but is a development of several decades of continues negotiations (Hayward, 2008; Dimitrakopoulos, 2008).

Negotiations literature suggests that negotiation cultures can be crucial for the negotiations and points to the fact that the consensus culture within the EU creates slow and ineffective negotiations (Hayward, 2008; Dimitrakopoulos, 2008).

While the UK at the time of the negotiations remains a member of the EU, the Brexit negotiation can be seen as the first set of negotiations between the UK and the EU in which the UK negotiate as a third part (May, 2018).

As the first negotiations between the EU and the UK the negotiations could affect the formation of a future negotiation culture between the two parties.

The current negotiations about the future relationship between the EU and the UK are defined by the internal disagreement within the British government and the highly unified positions taken but the EU27.
In its attempt to understand the nature of the current negotiations between the UK and the EU27, this study will therefore focus specifically on how this internal disagreement within the British government as well as the highly unified position taken by the EU affects the negotiations and the analysis will be guided by the following research question:

*How can we understand the role of internal politics in the negotiations about the future relationship between the United Kingdom and the European union after the 31st of December 2020?*

### 1.2 Premise

Traditional state-centric theories of international relations exclude any focus on internal politics in foreign policy analysis; the so call *black boxing* of the state (Beach, 2012: 62-64).

However, extensive amounts of new literature and theorizing about foreign policy and negotiation analysis suggest that internal politics influences foreign policy including international negotiations (Boyer *et al.*, 2010: 94-104; Beach, 2012: 63-90, Ripsman, 2009, Rosenson, 2009; Rosenau, 1961; Page and Shapiro, 1983; Bartels, 1991).

These studies conclude that competitive politics in democratic political institutions (Ripsman, 2009; Beach, 2012: 63-90), the negotiators personal preferences (Boyer *et al.*, 2010: 94-104), public opinion (Rosenau, 1961; Page and Shapiro, 1983; Bartels, 1991) as well as media attentions all are factors that can affect national preference formation and negotiation strategies in international negotiations.

This thesis build on these findings and accepts the premise that internal politics can and does influence internal negotiations and it seeks not to test *whether* internal politics affects international negotiations, but *how* it does so in the case of the Brexit negotiations.
1.3 Thesis structure

This thesis is structured into four parts. The first part includes a review over the current literature about the so call Brexit referendum.

It then moves on to discuss whether the current theorizing about international institutions building suggests analysing the negotiations between the UK and EU27 as a bilateral or multilateral negotiation.

Then it provides an overview of how current literature suggest the internal politics affects international institutions and moves on to argues that such affect can be analysed applying theories of leadership.

The second part of this thesis will outline the theoretical understanding of leadership and the influence of internal politics that will function as the theoretical frame work and guide that analysis.

The third part will explain how this study is operationalized and outline the methodological decisions behind it.

Fourth and finally the analysis will compare different texts published by both the British government and the different EU institutions to uncover areas of disagreement. It will the examine the how this disagreement of coherence affect the possibility at take a leader role and direct the negotiations.

1.4 Remarks

This study was conducted before the resent events the 8th and 9th of July 2018 where David Davis and Boris Johnson resigned from office due to disagreements over the governments newest position in the negotiations.
The study analyses the negotiations as they looked between the 14th of February to the 23rd of April 2018.

2.0 Literature review

2.1 Brexit in academic literature

Academic literature about Brexit can largely be divided into two groups: That which tries to understand what lead to the result of the Brexit referendum (Hobolt, 2016; Vasilopolou, 2016; Wang and Almeida, 2018), and that, which attempts to predict the future consequences of the Brexit vote (Costa Cabral et. al., 2017; Ringe, 2017; Dörry, 2017; Hohlmeire and Farholz, 2018; Fennelly, 2018).

National politics, increasing social inequality within the UK (Hobolt, 2016b), the rise of right-wing nationalism and the discourse about the EU in British media have all been researched as variables that might have played a role in the referendum result (Hobolt, 2016b; Walter, 2017; Hobolt, 2016a; Vasilopolou, 2016),

Another group of literature focuses on the possible consequences of the referendum result. This group of predictive research about the future is pre-dominantly concerned with two factors: How Brexit will affect the economy (Gutmann and Scherer, 2017; Cappariello, 2017; Hohlmeier and Fahrholz, 2018; Ringe, 2018; Dörry, 2017) and financial markets and how it will affect the internal cohesion of both the EU and the UK (Costa Cabral et. al., 2017; Almeida and Wang, 2017).

There was a significant difference in how the different parts of the UK voted in the referendum and much research has been devoted to predict the consequences of this divide for the future cohesion of the UK (Green et. al., 2017; Gallagher, 2017). And Prime Minister (PM) Theresa May has stated, that leaving the EU could mean increased devolution of power to the regional parliaments on Belfast, Edinburgh and Cardiff (May, 2018). An some argue that Brexit is a sign of the increasing power of right-wing nationalism across Europe which can affect European integration as a whole (Hobolt, 2017b).
Another major area of interest of this group of prescriptive literature is the economic consequences of Brexit. A big part of this research focuses on the effects of Brexit on the financial markets (Gutmann and Scherer, 2017; Cappariello, 2017; Hohlmeier and Fahrholz, 2018; Ringe, 2018; Dörry, 2017).

Regarding the effect of Brexit on the financial markets, researches agrees that free trade in financial services, the so call financial passporting rights, is one of the most important points for the UK in a free trade agreement (FTA) with the EU (Sowels, 2017).

However, there is disagreement about how important free trade in financial services is for the EU. Scholars agree, that if the negotiations end up with a FTA that does not include free trade in financial services, it will create insecurities in the European financial markets.

One on hand, some scholars argue, that such insecurities could lead investors to leave London and move their capital to else where in Europe, which might potentially benefit the EU or will at least not have a significant negative effect (Rehman and Della Posta, 2018; Hrebenciuc, 2017; Howarth and Quaglia, 2018).

One the other hand, others argue that the insecurities about the role of London in the global financial markets, would affect all European markets negatively as EU actors together both have borrowed enormous sums in British banks and well as having have enormous amount of money invested in London (Ringe, 2018; Sowel, 2017).

This study follows the focus on the negotiations about the future trade relationship between the EU and the UK. However, rather than the predictive approach taken in most existing literature this thesis, locates itself within a small group of literature that examines the very negotiation process itself (McGrowan, 2017; Turner et. al., 2018).

Negotiation literature agrees that continues negotiations between two or more parts can lead to the development of a negotiation culture and can affect the results of future negotiations (Boyer et. al., 2010: 50).
It is therefore relevant to understand the Brexit negotiations, as these are the first set of negotiations between the EU and the UK where the UK no longer negotiate as a member state but as a third party. As this particular set of negotiations could turn out to be important for the development of the future negotiation culture between the parties.

A part of understanding such negotiations is to understand the negotiating parts. Is the negotiation between the EU and the UK a bilateral negotiation between the EU and the UK or is a multilateral negotiation between 28 member states?

The very research question of this thesis assumes that the negotiations about the future trade relationship between the EU and the UK can be seen as a bilateral negotiation. To sum up:

*How can we understand the role of internal politics in the negotiations about the future relationship between the United Kingdom and the European union after the 31st of December 2020?*

The focus on how internal politics within both the EU and the UK affects their negotiation strategy necessarily means that the EU is treated as an actor that can have internal politics.

The next chapter of this literature review will argue why the Brexit negotiations can in fact be treated as bilateral.

**2.2 Brexit: Bilateral or multilateral negotiations?**

Much literature about international negotiations focuses on either bilateral or multilateral negotiations. However, the negotiations between the EU and the UK are hard to define as either bilateral or multilateral as it depends on the ontological assumptions about the nature of international institutions such as the EU.

Liberal intergovernmentalist approaches will claim that an international institution solely is the sum of its member governments and that an international institution never will be able to act as an individual actor (Moravcsik, 2018; Pedersen, 2002; Moravcsik, 1999).
International institutions are solely given the role as negotiator in cases where cooperation can reduce transaction costs (Moravcsik, 2018; Pedersen, 2002; Moravcsik, 1999). Such an approach would mean, that the Brexit negotiations would have to be considered a multilateral negotiation between 28 European governments.

On the contrary, neo-functionalist approaches to international institution building claim, that international institutions such as the EU can take on a life on their own and act as independent actors that constitutes more than the sum of its member governments (Haas, 1975; Haas, 1961).

Such an approach would consider the Brexit negotiations as bilateral negotiations between a supranational institution and a national government.

In between intergovernmentalism and Neo-functionalism, scholars such as Tallberg and Pollack have worked with a rational institutionalist approach to European institution building (Pollack, 2017; Tallberg, 2006; Tallberg, 2003; Pollack, 1998).

Pollack argues, that the institution building process happens as an intergovernmentalist bargaining process between governments, and that governments in this process seek to incorporate control mechanisms in the institutional design that allow them to remain in control of the institutions (Pollack, 2017; Pollack, 1998).

However, as human rationality and ability to predict all consequences of one’s choices are limited, such control mechanisms are seldom able to control all developments of international institutions. It is in this process that Pollack argues, that international institutions can develop to become supranational institutions (Pollack, 2017).

Both Pollack and Tallberg agree that the extent of supra-nationalism depends on the issue area. They agree, that the EC can be considered supranational in areas related to international trade and questions regarding the functioning of the Single Market, including issues of free movements of capital, goods, services and people (Pollack, 2017; Tallberg, 2006).

Such rational institutionalist approach to international institutions would considers the EU one single actor in the Brexit negotiations, because the controversial issue areas in the negotiations about the
future relationship between the EU and the UK to a large extent evolve around these issue of access to the Single Market, and free movement of services and people (European Council, 2018; European Parliament, 2018)

However, the institutional design of the EU makes its difficult to conclude that the EU can be treated as one single actor just because the EC can be considered a supranational institution.

This is because the EU consists of the three institutions the; ECM, EC and EP, which all have different levels of power in different negotiation areas (Stoll, 2017; Borchardt, 2016).

The institutional framework of the EU requires all of these institutions to give their consent to an agreement about the future relationship between the EU and the UK for it to be legal under European institutional law (Borchardt, 2016: 43-72).

Building on rationalist institutionalist theorizing, this thesis assumes that it is possible to consider the EU a supranational institution in functioning areas related to the Single Market, which is the main area of interest in this analysis.

Consequently, this thesis will treat the EU as one actor making it possible to study the internal politics of the EU as a whole.

2.3 Theorizing Negotiations: A paradigm, not a theory

In his book *the negotiation process and the resolution of international conflicts* William Zartman argues that ‘negotiation theory is a paradigm, not a theory’ (Zartman, 1996: 222)

By this he means that theorizing about international negotiations is so inclusive and includes and includes many different substantive theories of negotiation analysis each focusing on separate variables, while there on the other hand no longer can be said to be any middle-range theories that can give an overall understanding of international negotiation (Zartman, 1994).
This theorizing is gathered from several different academic fields. Studies build on some of the classical theories of international relations have focused on power relations between actors in a negotiation (Hopman, 1998 and Underdal, 1994).

Social psychological approaches have focused on the importance of the individual negotiators (Thompson, 2015; Barber, 1995), while organizational theories focus how the institutional design affects international negotiations taking place within international organizations (Kolb and Faure, 1994).

Coalitions theory focus on the nature and importance of coalitions formation in multilateral negotiations (Dupont, 1994; Boyer et. al., 2010), Theories of leadership exists that are developed specifically for international negotiations (Grundig and Ward, 2013; Dimitrakopoulos, 2008; Underdal, 1994; Tallberg, 2006; Young, 1991).

Other studies again focus on the communication strategies used in negotiations (Boyer et. al. 2010: 78; Hopman, 1996), or how internal politics influences international organization (Beach, 2012: 66-64, Ripsman, 2009; Boyer et al., 2010: 45-47)

Hopman argues that while the existing substantive theories of international negotiations allows us to understand specific parts of single cases, they do not sum up to an over all theory of multilateral negotiations (Hopman, 1998).

However, he argues, that each of these theories are not necessarily competing approaches to negotiation analysis. Rather they operate in separate domains, which makes it possible to include them all in the analysis of a single negotiation without them being incompatible (Hopman, 1998).

As he recognizes that current negotiation literature does not provide one theory of negotiations as such, but rather several substantive theories about many different variables William Zartman calls for theorizing that simplify the complexity of multilateral negotiation without denying it (Zartman, 1996). He stats that ‘international negotiations are the management of complexity’ (Zartman, 1996; 249).

This thesis will not attempt to contribute with new development to theorizing about international negotiations. It will instead attempt to manage the complexity referred to by Zartman by combining
theorizing from two different areas: Theorizing about how internal politics effects international negotiations and theorizing about the nature and importance of leadership in international negotiations.

2.4 The role of internal politics in international negotiations

Based on existing research, this thesis finds it reasonable to the EU a supranational institution and thus treat it as one actor (Beach, 2012: 211 and Pollack, 2017). However, it does not dismiss the complex relationship between the ECM, EP and the EC.

Rather the focus on internal politics within the UK as well as the EU will seek to accommodate this complex relationship.

Is not just relevant because of the divide in academic literature over whether the EU can indeed be treated as one supranational institutions or not, but because the history of the European Union is full of empirical examples of how disagreement within the EU has affected the EU’s ability to mobilize it bargaining resources with the result that the EU as an actor has lost its bargaining credibility and ability to strongly influence negotiations. This was for an example seen on the inability of the EU to take a common stand point on the invasion of Syria that several member states are participating in.

As mentioned in the introduction, this thesis is built on the premise, that internal politics can influence international negotiations. This premise is increasingly agreed upon in negotiation literature and consequently this thesis will not attempt to argue whether internal politics influences international negotiations, but will seek to understand how.

The approaches to negotiation analysis that focus on the influence of internal politics on international negotiations largely identify three ways in which internal politics can influence international negotiations.

These are questions of how the nature of the national political arena influence national preference formation and actors bargaining flexibility (Ripman, 2009 and Beach, 2012), how internal politics can be used strategically in the negotiations and how public opinion and media attention might influence the negotiators (Boyer et. al., 2010: 94-104).
Studies focusing on the role of internal politics on national preference formation are mostly focused on democratic countries where national politics often consists of several actors that compete for influence on the national position in a negotiation (Beach, 2012: 70-71).

The plurality of actors in democratic political arenas can require coalition building within national politics to reach agreement on a national position on issues negotiated internationally (Beach, 2012: 70-71).

Scholars taking such a coalitions building approach to national preference formation argue that coalition building can both create and change national preferences. Just as in international politics, coalitions in national politics can be unstable and unstable national coalitions can lead to inconsistencies in an actor’s behaviour in international negotiations (Beach, 2012: 70-71).

Mark A. Boyer, Brigid Strakey and Jonathan, Wilkenfeld argues further that a political area that is internally divided can affect the bargaining space within the international negotiation by making the mandate of the negotiator less flexible (Boyer et al., 2010: 45-47).

If internal actors have already compromised in domestic negotiations in order to reach an agreement on national preferences, these actors might be unwilling to vote for a deal that further compromise their preference (Boyer et al., 2010: 45-47).

This is an especially important factor in cases where agreements have to be ratified by national parliament after a negotiation. As it in such case is possible to punish the negotiator, by voting down the negotiated deal, if the negotiator has moved too fare away from the position what was agree upon in the national parliament (Boyer et al., 2010: 45-47).

Other studies concerning the question of how internal politics influence international negotiations are concerned with how the public influences international negotiations either through the media, interests groups or by public opinion (Gadarian, 2010; Rosenson et. al., 2009; Bartels, 1991; Page and Shapiro, 1983; Rosenua, 1961).

Some scholars for example argue that constant media attention on a certain issue can make it hard for politicians to change positions without loosing credibility in the national arena making it harder to
make concessions on such issues. Likewise, sudden media attention on a certain issue can require politicians to treat some issues as more critical than other (Morolla and Zechmeister, 2009; Gadarian, 210).

Studies on impact of public opinion on foreign policy decisions have disagreed on whether public opinion could influence foreign policy decisions, but have moved recognize the power of public opinion (Rosenson et. al., 2009; Bartels, 1991; Page and Shapiro, 1983; Rosenua, 1961).

Ripsman suggests that public opinion especially has an effect when the government is vulnerable in which cases an actor may alien his position with public opinion on an issue in order to win popularity in the national arena (Ripsman, 2009: 181).

An analysis of how internal politics influences the ability to affect the negotiations is especially relevant in a situation where the EU has managed to act highly unified while the UK has had big internal disagreements about their position in the negotiation.

2.5 The role of leadership on the outcome of international negations

This study seeks to understand the influence of internal politics on the ability influence the negotiations. It exclude attempts to draw conclusions on the ability to influence negotiation outcomes as no agreement has been reached yet on the issue areas analysed in this thesis.

When theorizing the ability to influence the negotiations in one’s favour, this thesis will now turn to an overview of literature of leadership studies, which is concerned with just this question.

In fact Elgie (1995) has defined leadership in political science and ‘the extent to which heads of state and heads of government, that is, the individuals who occupy the most prominent positions of authority in the state structure, are able to determine the outcome of the decision-making process’ (Elgie 1995, 4).
Before him Blondel (1987) attempted to create a conceptualization of political leadership applicable to all politics, focusing on leadership as the execution of coercive power. However, several scholars question the extent to which leadership equals power (Underdal, 1994; Mitgaard, 1999; Young 1991).

Underdal argues, that no actor can be coerced by power into accepting an agreement that does not satisfy him or her in any areas. In such cases these actors will simply refuse to agree on a deal or defer from the agreement after striking it (Underdal, 1994; 188-190).

Instead the ability to exercise leadership is dependent on whether one is accepted as a leader by other actors and states that the sole pursue of self-interest is likely damage an actors leadership abilities (Underdal, 1994; Boyer et al., 2010: 66-68).

Amongst the most prominent understandings of leadership is the theory developed by Oran Young. Like Blondel and Elgie, Young considers leadership the ability to influence the outcome of negotiations, but claims that this can be done in other ways than through coercive power (Young, 1991).

Young separates between three different kinds of leadership: Structural, entrepreneurial and intellectual leadership. Structural leadership referring to coercive leadership based on structural power, entrepreneurial leadership based on the ability to affect negotiation outcome by crating creative solutions to existing negotiation issues (Young, 1991).

Intellectual leadership refers to the leadership an actor might exercise if it possesses extensive information about an issue that is not available to the remaining parties to the negotiation, which could require remaining parties to relay on one’s expertise to suggest solutions (Young, 1991: 198-203).

Young’s theory of leadership is developed to understand the institutional bargaining situation in which states agree for international institutions by put constrains on their own power (Young, 1991; 182-188). However, it is not developed to understand the nature of leadership at it takes place within established international institutions.
Tömmel and Verdun argue, that while not developed to apply to negotiations within the EU, Young’s theory of leadership is useful in understanding those parts of European negotiations that take place as intergovernmental bargaining (Tömmel and Verdun, 2017: 106).

However, it is hard to understand the negotiations between the EU27 and the UK as being either institutional or intergovernmental bargaining.

Partially building Young, Arild Underdal has developed a model that focuses on leadership in multilateral negotiations taking place in international institutions. Underdal’s definitions include, unilateral, coercive and instrumental leadership (Underdal, 1994).

Unilateral leadership is defined by Underdal as a kind of leadership exercised when one actor seek to solve a collective problem. This can be done by changing the available option of other, or the cost or benefit of choosing one option over the other. Or it can be done through social persuasion when one actor attempts to convince others of the morality of actions guiding them to make a specific choice (Underdal, 1994: 185).

Coercive leadership has great similarities with Young’s definition of structural leadership. Underdal defines coercive leadership as ‘stick and carrot’ leadership that involve the presence of threats (Underdal, 1994: 186).

Instrumental leadership is when one actor is accepted as a leader by others because it is perceived to have the merits or legitimacy to lead. Underdal specify that instrumental leadership can be based on skill, energy and status (Underdal, 1994: 187-191).

Underdal’s definition of instrumental leadership takes into account that role that experience, reputation and the formal roles of actors within international institutions can play.

As previously argued, the EU can be treated as a supranational institution in the areas related to the functioning of the Single Market. However, it is a supranational institution negotiating with a nation state.
In an attempt not to over-simplify the complex negotiation situation between the UK and the EU by treating it as either traditional intergovernmental bargaining or over-complicating it by treating it as a traditional multilateral negotiation, this thesis will merge Young and Underdal’s models of leadership.

### 3.0 The theoretical framework

As mentioned earlier, existing literature gives reason to argue that the negotiation between the EU and the British government about the future trade relationship can be treated as a bilateral negotiation (Pollack, 2017; Beach, 2012; Tallberg, 2006).

However, this thesis is built on the assumption that the two parties in the negotiation; in this case the EU and the UK are not necessarily stable entities. This thesis reject the realist black boxing of internal political and seek to understand how internal coherence or incoherence affects their ability to influence the negotiations (Hopman, 1996).

### 3.1 Internal politics

The study will be based on a weak liberal approach that assumes that internal politics primarily influences international negotiations through national preference formation and the determination of bargaining space (Beach, 2012: 63-82).

Weak liberal theories focus on the internal competition for influence on the national position in a negotiation (Beach, 2012: 70-71 and Dupont, 1994). Such theories assumes that the plurality of actors in democratic politics require coalition building reach agreement on a national position on issues negotiated internationally (Beach, 2012: 70-71 and Dupont; 1994).

Besides affecting national preference formation, an internally divided national arena can affect the bargaining space within the international negotiation because it can be difficult to reach an agreement that all internal actors can accept (Boyer et al., 2010: 45-47).
As argued in the literature review, this is an especially important factor in cases where agreements have to be ratified by national parliament after a negotiation (Boyer et al., 2010: 45-47).

### 3.2 Definitions of leadership and leadership resources

This thesis will employ the two-folded understanding of leadership the prevails in existing leadership literature that differentiate between leadership capabilities and leadership itself (Underdal, 1994; Young, 1991, Blondel, 1987, Elgie, 1995).

This theoretical framework will combine concepts developed by Yong and Underdal in its conceptualizing of leadership. Common for both scholars is that there are several different types of leadership.

**Leadership resources**

Generally leadership literature divides the study of leadership into two tires: Leadership resources and leading in itself (Underdal, 1994; Young, 1991, Blondel, 1987, Elgie, 1995).

Leadership resources refer to the capabilities an actor posses that enable it to act as and be accepted as a leader, whereas leadership refers to the actual act of leading (Young, 1991; Underdal, 1994). Hence, leadership resources can be considered leadership potential, as leadership resources are resources that can be, but are not necessarily, mobilized.

**Exercising leadership:**

Young defines three types of leadership, which have become fundamental teachings within leadership studies: Structural, intellectual and entrepreneurial leadership (Young, 1991).

Structural leadership is based on the ability to mobilize material resources and is exercised as coercive leadership (Young, 1991: 188-193).

Intellectual leadership is based on knowledge and experience. An actor may be able to exercise instrumental leadership if it posses extensive knowledge about a technical issue that is not available to
all parties at the negotiation table. In such case, other parties might be willing to accept the leadership in order to benefit from the expertise (Young, 1991: 198-203).

Entrepreneurial leadership is based on creative problem solving skills. An actor is able to exercise entrepreneurial leadership in situations when it is possible to come up with new solutions to existing problems. This can be by reframing existing issues, by adding new issues to the negotiations or by drafting new proposals (Young, 1991: 193-198).

As to take into account that negotiations between the EU and the UK are taking place within an international institution, the theoretical framework of this thesis will add a fourth mode of leadership.

This is the concept of instrumental leadership defined by Underdal. Instrumental leadership is when one actor is accepted as a leader by others because it is perceived to have the merits or legitimacy to lead. Underdal specify that instrumental leadership can be based on skill, energy and status (Underdal, 1994: 187-191).

Skills could here be understood both as technical know and creative negotiation skills and thus includes both intellectual and entrepreneurial leadership as defined by Young (Underdal: 1994: 188-189).

Energy is the effort and persistency put into an issue, while status refers to the formal or informal role of an actor within an organization, including whether an actor holds the formal role as a leader or if an actor enjoys a good reputation within the organization for example as a result of extensive experience (Underdal, 1994: 189).

However, the concept is broad and ease the analysis this thesis will narrow the concept of instrumental down to the focus on status as defined by Underdal. This narrow definition of instrumental leadership is thus leadership that is possible via the mobilization of status capacities such as reputations, experience and the power of holding the formal leadership in international institutions (Underdal, 1994: 189).
This is possible because, when merging Underdal and Young’s models of leadership, because leadership based on technical or entrepreneurial skills is included in Young’s the concepts of intellectual and entrepreneurial leadership.

This thesis thus consider there to be four different types of leadership which all require different leadership resources. These are Structural, intellectual, entrepreneurial and instrumental leadership.

Both Young and Underdal argues that different kinds of leadership can be exercised in the same negotiation, either by the same or by different actors, as so this thesis makes the same assumption (Young, 1991; Underdal 1994).

### 4.0 Methodology

The choice of theoretical framework for this thesis was guided by the over-all purpose of the analysis. Namely, attempting to understand how internal politics influences the negotiations between the EC and the UK in the negotiations about the future relationship between the UK and the EU after the UK leaves the EU.

It is the ontological foundations of the theoretical framework and the premise of this thesis that have guided the choice of research resign. The analysis will be conducted as a qualitative textual analysis and the following chapters are all devoted to explaining some of the core methodological decisions behind the analysis.

#### 4.1 Ontology and Epistemology:

This thesis is built on constructivist ontology. The premise of is that the internal politics of actors taking part in international negotiations can affect the negotiation strategies deployed in such negotiations.

The theoretical foundation of this thesis assumes that factors such as competing opinions within national parliaments, the possibility of actors to changing their mind and the personal interest of
negotiators can affect an actor's national preferences and negotiations strategies (Beach, 2012; 143-182).

In other words, this premise assumes that negotiations cannot be analysed as rational behaviour and counter-behaviour between two states. Rather, all parts of a negotiation are the result of interaction between individuals (Halperin and Heath, 2012: 6).

Consequently, the assumption is that an actor's behaviour can be affected by factors such as identity, ideas, perception and personal preferences. While such ideas and perceptions are influenced by the context in which they were produced (Halperin and Heath, 2012: 6).

This understanding that reality is constructed through interaction between people is the basic ontological assumption of constructivism (Halperin and Heath, 2012: 45-46; Barnett, 2014).

As a consequence of the constructivist ontology, this thesis takes on an interpretative epistemological approach, claiming that knowledge can be obtained by interpretations of meanings and ideas (Halperin and Heath, 2012: 6).

This study will be conducted as a qualitative textual analysis, aiming to uncover the meaning and ideas behind texts produced by both sides of the negotiation.

4.2 Case study:

The analysis will be conducted as a single case study focusing on the negotiations about the future trade relationship between the EU and the UK as they appeared in the end of April 2018.

The current state of the art of the theoretical understanding of the negotiation process is highly inclusive. In fact, Zartman argues, that multilateral negotiation is the art of managing complexity (Crump and Zartman, 2003 Crump et. al., 2017; Zartman, 1994: 220).

The high complexity of the conceptionalization of negotiations as well as the current theorizing about it makes Zartman argue that understanding negotiations, rather than merely being a theory, is an academic paradigm (Crump and Zartman, 2003 Crump et. al., 2017; Zartman, 1994: 220).
This high complexity makes research about multilateral negotiations hard to operationalize. Due to this inclusive theorizing, most studies of multilateral negotiations are case studies of more or less descriptive nature (Dimitrakoloulos, 2008; Hayward, 2008; Boyer et. al. 2010).

This has been criticized by some, for lowering the external validity of all research in the field (Hopman, 1996). But by most scholars, it has been deemed necessary because the complexity of multilateral negotiations is hard to handle in large N-studies. Generally the cost of higher external validity is found to be too high, as it must be paid for by compensating on the in-depth understanding of the single case (Halperin and Heath, 2012: 328, Hopman, 1996).

Many scholars have attempted to overcome the validity problem by comparing their findings to other existing single case studies, and in that way attempted to contribute to the general understanding of international negotiations (Hopman, 1996).

Greater attention might have been paid to these weaknesses of the single case studies, had the aim of this study been to contribute to the general understanding of negotiations as a whole. However, this is not the case. Rather this thesis seeks to understand the specific relationship between the EU and the UK during the negotiation process about the future relationship between the parties.

While this study shows respect to the many studies conducted in similar manner before, it is not necessarily intended for comparison. As it can be argued, the situation of a member state leaving the EU is unique and simply has not been seen before.

International negotiations have until now been attempts to improve relationships between actors, to improve the efficiency of international institutions and to increase the level of harmonization between states (May, 2018; Haas, 1961; Young, 1991).

On the contrary, the current negotiations between the EU and the United Kingdom aim to decrease existing harmonization between the EU and the UK (Davis, 2018; May 2018). The uniqueness of the situation is the main reason for the choice of conducting this analysis as a single case study.
4.3 Qualitative textual analysis

The texts that make up the empirical data will be examined in a qualitative textual analysis. As mentioned above, the underlying ontological assumption of this thesis is that negotiations are interactive processes between people that are not inherently rational and whose behaviour is influenced by the particular contextual setting in which they take place (Halperin and Heath, 2012: 224).

The interpretative epistemology assumes that knowledge about these contextual settings can be required by uncovering the ideas and meaning in texts produced in these contextual settings (Halperin and Heath, 2012: 319).

This qualitative textual analysis will attempt to do that by looking for indicators of how the internal political contexts influence the negotiation strategies.

The analysis will take a combined inductive and deductive approach. First, the texts will be examined in an inductive manner aiming to identify the main positions taken by each actor on different issue areas (Halperin and Heath, 2012: 31-32). These positions will then be compared to examine whether there is agreement or disagreement over the identified positions.

Having determined the areas of agreement and disagreement between the texts, the texts will then be analyzed deductively looking for the indicators of the four types of leadership resources identified in the theoretical framework of this thesis: Material, instrumental, intellectual and entrepreneurial resources (Halperin and Heath, 2012; 31-32).

Lastly, the analysis will examine whether there is a connection between the levels of internal agreement or disagreement and the ability of the actors to mobilize the identified leadership resources into influence in the negotiation process.

In order to make this analysis possible in practise, it has been necessary to make some choices to limit the scope of the analysis. More specifically, this is the choice of a single negotiation issue, as well as the choice of material. The following parts of this chapter will explain these choices and the reasoning behind them.
4.4 Delimitations

The Brexit negotiations include an enormous amount of issues, which are more or less related, either directly or made related by issue-linkage in order to ease aspects of the negotiations (Boyes et. al., 2010: 53; European Commission, 2018a ;).

Therefore a series of decisions have been made to limit the scope of analysis to allow for a deeper understanding of the part of the negotiation included.

This thesis will solely focus on the part of the negotiation related to the future relationship between the EU and the UK. Furthermore, it will only include the parts of the negotiations that relates to the future trade and customs relationship between the EU and the UK.

The negotiation process has been divided into two phases: The so called ‘divorce settlement’, which includes issues related to social rights of citizens living abroad, the financial contribution of the UK to the current multiannual financial framework, the transition period etc. (European Commission, 2018a).

The second phase includes issues regarding the future relationship between the EU and the UK after the transition period ends the 31st of December 2020. These issues include sector specific agreement such as fishery and air traffic, as well as more general agreements of the future customs relationship (European Commission, 2018b).

The focus on the negotiations about the future relationship between the EU and the UK was chosen because these negotiations might influence future negotiations the most and thus are the important to understand.

This is because negotiations between the EU and the UK over trade related issues are likely to occur many times in the future, while the ‘divorce settlement’ only will be negotiated once.

When choosing to focus on the one issue of the future customs relationship between the UK and the EU, it is because the future relationship between the parties includes too many variables and will become too complex for analysis.
However, the customs relationship is amongst the most central issues in the negotiations and has turned out also to be among the most controversial. This is especially the case on questions that involved the nature of the border between Ireland and Northern Ireland.

4.5 Timeframe

Another decision that has been made in order to limit the scope of the analysis is the timeframe. The analysis has been limited to include material produced over a short time period from the 14\textsuperscript{th} of February to the 23\textsuperscript{rd} of April 2018.

During this short time period, members of the British government hosted several key speeches outlining a position of the government at the time and all of the European institutions published responses to these.

It must be noted that this analysis was conducted before the recent events on the 8\textsuperscript{th} and 9\textsuperscript{th} of July 2018 where David Davis and Boris Johnson, whose speeches are included in the analysis, resigned from office due to disagreements over the governments newest position in the negotiations.

Likewise it was conducted before chef negotiator of the EC Michael Barnier officially state that the EU could not accept the suggestion of a customs agreement presented in Theresa May’s speech from the 2\textsuperscript{nd} of March 2018.

4.6 Data selection

The data selection of this thesis has been influenced by the different nature of the two negotiating parties. The EU is an international organisation with an institutional design that means that several different institutions must accept a final agreement between the parties (Borchardt, 2016: 43-72; Usherwood and Pinder, 2017). On the other hand, the British negotiators are appointed by and accountable to only one higher institution: The British government.

The EC has been given the mandate to negotiate on behalf of the entire EU and to lead the negotiations. The EC has appointed Michael Barnier as chief negotiator, who has been given the mandate to negotiate on behalf of the EC (Task Force 50, 2018: E).
However, the institutional design of the EU means that the ECM as well as the EP must accept any final agreement before it can be ratified (Borchardt, 2016: 43-72; Usherwood and Pinder, 2017).

Therefore, this thesis includes material published by the ECM, the EP and the chief negotiator of the EC.

The ECM lays out its positions on the negotiations continuously in official guidelines. To this point, these guidelines have expressed unified positions shared by all of the remaining 27 member states (European Council, 2018).

The empirical material chosen for this analysis includes the newest framework for a future trade agreement published on the 23rd of March 2018; Guidelines on the framework for the future EU-UK partnership (The European Council, 2018).


As well as a speech held by chief negotiator Michael Barnier on the Hannover Messe the 23rd of April 2018 clarifying the framework put forward by the Council of Ministers the 23rd of May 2018 (Barnier, 2018).

These choices have been made to include material from all of the EU institutions that influence the Commission’s final position in the negotiations.

Contrary to the ECM and the EP, the British government has chosen to present its official position on the negotiations in speeches.

And unlike the EC, the British government has not appointed one chief negotiator to lead the word. Instead, several British ministers are responsible for each their area of the negotiations (Government of the United Kingdom, 2018).

The British positions to the negotiations have been presented in speeches on different topics and have been hosted by the related minister. Besides two speeches by Prime Minister Theresa May these
Of the six speeches that have laid out the British position on the future relationship between the UK and the EU, four of them have been chosen for analysis in the thesis.

Namely, Foreign Minister Boris Johnson’s speech held the 14th of February 2018: Uniting for a Greater Brexit (Johnson, 2018).

Secretary of the Department of Leaving the European Union, David Davis’s speech held in Vienna on the 20th of February 2018: Foundation on the future of the economic partnership (Davis, 2018).

Secretary of international Trade Liam Fox’s speech held on the 27th of February 2018: Britain’s Trading Future (Fox, 2018).

As well as the second speech held by Prime Minister Theresa May on the 2nd of March 2018; Speech on our future economic partnership with the European Union (May, 2018).

Two out of the six speeches laying out the UK’s future relationship to the EU speech have been excluded of the analysis. These are Theresa May’s first speech held in Florence 22nd of September 2017 and Secretary of Sate of Justice, David Davis speech held the 26th of February 2018.

Theresa May’s first speech from September 2017 has been excluded from the analyses to shorten the time span of the analysis, because the United Kingdom’s position on several issues have changed between September 2017 when the first speech was held to March 2018, when the second speech was held. Theresa May’s newest speech is therefore treated as the Prime Ministers current position on the negotiations.

Secretary of State of Justice, David Lidington’s speech held the 26th of February 2018, has been excluded from the analysis because it addresses a British audience about the future of British national politics after the United Kingdom leaves the European Union. The speech is therefore not directly a part of the negotiations.
5.0 Analysis

To answer the overall research question of this thesis; how to understand the role of internal politics in the currently on-going negotiation process between the EU and UK about the future relationship between the parts after the UK leaves the EU and the UK, this analysis will be divided into two parts.

The first part of the analysis will focus on the EU. It will examine the level of internal cohesion within the EU, the leadership resources available to the EU and lastly how the internal cohesion has affected the ability to exercise leadership and affect the negotiations.

The second part of the analysis will focus on the government of the United Kingdom. It will likewise examine the level of internal agreement within the Government. It will look at which leadership resources are available for the UK in the Brexit negotiations and whether the ability to affect the negotiations through effective leadership is affected by internal disagreements within the British government.

5.1 An analysis and internal unity and leadership of the

5.1.1 Internal cohesion within the EU

5.1.1a EP resolution 2018/2573(RSP) and Council guidelines of the 23rd of March 2018
Both The EP resolution and the ECM guidelines are written document in the form of a resolution and a legal draft.

A resolution is a written statement that the members of an international organization have agreed to encourage its members or third parties to follow (Borchard, 2016: 108-109). Thus, while taking different names both documents can be considered guidelines for the EC to follow in the negotiations.

The EC has been given the power to negotiate on behalf of the EU as a whole including all of its institutions (European Parliament, 2018: D). However, both of these guidelines are important as any agreement between the British government and EC has to be accepted by both the EP and the ECM (Borchardt, 2016: 43-72, European Parliament, 2018: E).

Thus, while Michael Barnier negotiates on behalf of the EC it is required that both the ECM and EP can support the decisions made in the negotiations (Borchardt, 2016: 43-72).

The first message put forward in Council guidelines is, that the ECM have taken note of the EP resolution of 14 March 2018. Likewise first message of the EP resolution is that it agrees with the former Council guidelines from March 2017 (European Council, 2018; 2: European Parliament, 2018; 1).

The main points raised in both documents regarding the future trade relationship are the following:

That any agreement between the UK and the EU must ensure that there is no hardening of the border between Ireland the Northern Ireland (European Council, 2018; 2: European Parliament, 2018; M).

Both the EP and the ECM states that they wishes the closest possible relationship with the UK and that it finds UK membership of the Single Market the best solution for both parts. However, both note that the UK's current position does not comply with this (European Council, 2018; 3: European Parliament, 2018: 19).
They both agree that UK's current position means that there should be introduced customs checks at the border between the UK and the EU. (European Council, 2018; 4: European Parliament, 2018: 19).

Both institutions emphasize the importance of a 'level playing field' several times and expresses concerns with the possibility that the UK might lower its environmental and social standards to obtain competitive trade advantages, once it is no longer subject to EU law in these areas (European Council, 2018: 11; European Parliament, 2018: 4).

The ECM and the EP use same terms when they refer to the need for a 'balance between rights and obligations' and states that any agreement must respect the four freedoms and cannot allow for 'cherry picking' between sectors (European Council, 2018: 7; European Parliament, 2018: 12).

They especially express a wish of as fare reaching an agreement of free movement of people, as possible (European Council, 2018: 10; European Parliament, 2018: 14).

Both the ECM and the EP state that the UK cannot participate in EU agencies but express that need for close cooperation on specific areas, air transport and safety, access to each other fishing waters and property rights are highlighted in both documents (European Council, 2018: 7; European Parliament, 2018: 48-49).

In conclusion there is complete agreement between the ECM and the EP over their wishes for the future relationship with the UK.

5.1.1b Speech by Michael Barnier, 23rd of April 2018, Hannover Messe

Michael Barnier spoke to the public in a speech at business summit in Hannover, Germany the 23rd of April 2018. The use of the spoken language as an official medium of communication is as exception from the rule in communications from the EC.
Barnier’s speech from the 23rd of June most likely had two intended receivers: The public, especially the business society and the British government. Consequently, the speech had two main messages.

While the Council Guidelines and the Parliament Resolution had one purpose: To communicate the position of the two institutions. Barnier’s speech includes two main messages; one directed at the British government and one directed at the public audience.

The message to the British government is short and would not need a full speech. Barnier repeats the standpoints of the ECM and the EP for what a future free trade agreement must include.

The speech does not express any changes to the offer of the free trade agreement publish by the ECM, but merely repeats its content and clarifies that the guidelines published by the ECM is not a suggestion of the design of a free trade agreement, but an offer of a free trade agreement (Barnier, 2018: ll. 110).

He states that the EU has done its part of workload in drafting a free trade agreement and is waiting for a clear answer from the British government that either accept the offer or put forward a counter offer.

> With their comprehensive offer, the EU’s Heads of State and Government have shown their high level of ambition for the future relationship... It is now up to the UK to come up with its vision for the future, which should confirm the UK’s red lines or adapt them (Barnier, 108: ll. 109-115).

However, with another intended receiver of the speech than only the British government, Barnier uses big parts of his speech explaining not only the content of the offer of a free trade agreement, but also the reasoning behind the offer.

The negotiators of the British government is expected to be aware of constrains the institutional design the EU may have on the negotiations. However, the public cannot be assumed to be familiar with EU constitutional law.
Consequently, Barnier must use time justifying the position of the EU to the public in a different way than with references to EU law.

An example of this is the use of pathos bade arguments that speaks to the emotional connection of the public might have to the EU. This type of argumentation is used to justify the importance of free movement of people:

*I saw great ideas and projects, made possible by talented people. Many of these innovative companies have been supported by the eco-system created by the EU’s Single Market. Thanks to the Single Market, both talent and knowledge move freely between our countries...We can never make compromises on these fundamental principles of the EU because of Brexit* (Barnier, 2018: ll. 6-21).

This is an example of how emotional language is used to cultivate a personal attachment to the European values and a sense of justice in the principle of free movement of people.

The importance of protection the free movement of people is also presented in the Council Guidelines. However, here it is presented with a technical reference to the constitutional law of the EU.

*A non-member of the Union that does not live up to the same obligations as a member cannot have the same rights and enjoy the same benefits as a member. The European Council recalls that the four freedoms are indivisible* (European Council, 2018: 7).

The three texts above show three different EU intuitions that highly agree on all of the issues put forward about the future trade relationship between the EU and the UK.

While the types of argumentation that is used in Barnier’s speech is less technical and more emotional, than the arguments used in the legal texts produced by the EP and the ECM, the messages posted in the speech and the documents are the same.

They highlight the same points as being important and refer to each other throughout the texts, which shows a high level of internal cohesion with in the EU.
Not only to the three texts from three different EU institutions raise the same points and refer to the other texts in agreement. Both the ECM and the EP emphasize the importance of continuing to act as one unified actor.

*Whereas the unity of the EU institutions and Member States is crucial in order to defend the interests of the Union and its citizens throughout the subsequent phases of negotiations, in particular as regards the framework for the future relationship, but also to ensure the successful and timely conclusion of those negotiations (European Parliament, 2018: P)*

### 5.1.2 Leadership resources and practices of the EC

This chapter will look at the leadership resources available to the EC in the negotiations with the British government about the future trade relationship between the EU and the UK after the UK leaves the EU, as well as the extent to which these have been successfully utilized.

The theoretical framework of this thesis contains a definition of four types of leadership each requiring different types of leadership resources. To briefly summarize, structural leadership requires the mobilization of material resources (Young, 1991: 288-291), instrumental leadership require mobilization of status resources such are reputation, experience and formal chairmanship (Underdal, 1994: 188-191), intellectual leadership requires technical knowledge (Young, 1991: 293-298) and entrepreneurial leadership requires creative negotiation skills (Young, 1991; 298-302).

Like the main literature on leadership theory, this analysis considers leadership resources or leadership capabilities and the act of leadership two different things. While leadership resources are the potential for leadership, leadership itself is the action of utilizing these resources (Young, 1991; Underdal, 1994; Blondel, 1987)

#### 5.1.2a Structural leadership by the EC

The first and most obvious resource the EU is the material resources available in the economic power of the Single Market.
The negotiations about the future trade relationship between the EU and the UK is in its sum a negotiation about market access to each other's markets, and as the Single Market is many times bigger than the British market (Barnier, 2018: Sowels, 2016: Howarth and Quaglia, 2018) this is a big material resource for the EU.

By acting as a single actor the EU manage to keep the integrity of the single market intact and avoid a situation where the UK can negotiate trade deals with independent EU members states (Bauer et. al., 2018: 159-180).

Had the different EU institutions disagreed about the importance of acting as a single actor and allowed for the individual member states to negotiate bilateral trade agreement with the UK, then the power of the single market would have decreased by each member state market the UK had gained access to without an agreement with the EU (Bauer et. al., 2018: 159-180).

Thus, the internal cohesion with the EU is what makes it possible to utilize its structural economic power in the negotiation. And we see Barnier refer to this power in his speech at Hannover messe the 23rd of Apirl 2018.

*The Single Market at 27 will consist of 440 million consumers and 22 million enterprises... Let me remind you that, for the EU27 today, 6% of trade in goods is with the UK, while 60 % of this trade is inside the EU27 Single Market. Ten times as much!* (Barnier, 2018: ll. 13.18).

5.1.2b Instrumental Leadership by the EC

Besides its economic resources the EU process several important instrumental leadership resources. Firstly, the important factor that the UK during the negotiations still is a member state of the very institution it is negotiating its separation from.

The fact that the negotiations take place within the very institution that makes up one of the negotiation parts, is a huge instrumental resource for the EU (Underdal, 1994: 187-191). This means that it is the EU itself who formulate the finale legal document of a future agreement.
While the content of such document would be agree upon before hand and accepted by both parts, it would be conducted with the pace, design and wording of the EU.

Furthermore, the negotiations between the EU and the UK are constrained by the institutional design of the EU.

An example hereof is that the UK at the time of the negotiation continues to the subject to EU law and that the ECJ continues to be the highest legal authority- both for the EC and the British Government (Borchardt, 2016; 134: Dehousse, 2017).

EU law makes up a big instrumental resources for the EU as it is a condition for formal leadership (Underdal, 1994). Furthermore, formal law has an ability to define good reputations, as there is a morality aspect in respecting it.

The internal agreement between the EU institutions means that the EU utilizes this resource effectively. Constant references to EU treaties is used direct the negotiations and determine which issues or suggestions can be negotiated and which cannot.

This was the case with the UK’s wish to limit the freedom of movement in people while keeping unchanged access to free movement of goods and services. As well as the UK wish to leave the Single Market while not introducing customs check at the UK-EU boarders.

…these options would mean a significant reduction in our access to each other’s markets…. compared to that which we currently enjoy. And this would mean customs and regulatory checks at the border that would damage the integrated supply chains that our industries depend on and be inconsistent with the commitments that both we and the EU have made in respect of Northern Ireland (May, 2018).

In both cases all EU institutions took a firm stand against this referring to that fact that the four freedoms are inseparable and that free movement of goods require free movement of people.

European Parliament:

...protection of the integrity and correct functioning of the internal market, the customs union and the four freedoms, without allowing for a sector-by-sector approach (European Parliament, 2018: 4)
European Council:

_The European Council recalls that the four freedoms are indivisible and that there can be no “cherry picking” through participation in the Single Market_ (European council, 2018: 7)

Michael Barnier:

_...The UK must respect our principles, the principles we have build with the UK over 45 years. In particular the four freedoms of the Single Market, go together_ (Barnier, 2018: ll. 65-66)

The EU has extensive experience and capacities the EU has with negotiation trade agreements including the recent free trade agreements with Canada and South Korea or the customs unions with Turkey and Ukraine (May, 2018).

According to Underdal experience is one factor that can be used to exercise instrumental leadership (Underdal, 1994; 187-1991).

The EU draws heavily on this experience in the Brexit negotiations where it is expressed that the trade deal with the UK, will be an ‘off the shelf’ solution (May, 2018).

In other words, the future trade agreement with the UK should be a copy of exciting trade deals made with other third party countries in order not to damaged the legitimacy of existing trade deals (European Parliament, 2018: K).

This is another example of how the EU uses existing EU legislation to guide the negotiation with the UK with the argument that no exceptions can be made for the UK in ECL.

The emphasis of existing experience with free trade agreements and the importance of the ECJ is an effective utilization of the instrumental leadership resources available to the EU.

However, the extensive emphasis of existing institutions does, that the EU does not explore new creative solutions. According to Young, coming up with such new and creative solutions to problems is an exercise of leadership in itself (Young, 1991; 293-298).
5.1.2c Entrepreneurial Leadership or not?

The skill of creative problem solving is by Young called entrepreneurial resources and the act of utilizing them entrepreneurial leadership. The ability to imagine and present creative thinking can push negotiations in new directions or leading negations out of dead-lock situations (Young, 1991; 187-191).

The strong emphasis on institutional resources and effective execution of instrumentation leadership means that the EU in some areas misses or avoids the chance of presenting such new solution.

It is simply given, that it is hard to promote an ‘of the shelf solution’ at the same times as promoting new solutions.

The offer of a free trade agreement put forward by the ECM in the 23rd of March guidelines expresses concrete proposals on several areas that are easily defined by EU law, such tariff free trade in goods, trade in services under host rules, access to public procurement markets, investments and protection of intellectual property rights and reciprocal access to fishing waters (European Council, 2018: 8).

On more controversial issues as the future boarder between the Ireland and Northern Ireland and between Spain and Gibraltar, the heavy emphasis on existing experiences cause the EU to include proposals that the UK beforehand is expected to reject.

This is the case with the proposal of creating customs checks between Northern Ireland and the rest of the UK in order to avoid a hardening of the boarder between Ireland the Northern Ireland (May, 2018).

This was foreseen to be unacceptable for the British government. However, as mentioned in the literature no actor can be coheres into an agreement it does not want to agree to (Underdal, 1994; Young 1991).
Hence, rather than adding pressured on the UK to either agree to the proposal, such proposal instead adds pressure to create a counter proposal and thereby passes the entrepreneurial initiative to the UK (Barnier, 2018 ii).

Such failed attempt of exercising entrepreneurial leadership leaves a door open for the UK to come up with such new and creative solutions that could change the negotiations in new directions.

### 5.1.3 Conclusions about EU leadership mobilization

The unity of the EU makes the importance of UK access to the Single Market greater for the UK than what would have been the case in a situation where the UK could strike bilateral agreements with each of the 27 member states (Barnier, 2018: Sowels, 2016: Howarth and Quaglia, 2018).

This allows for the EU to utilize its material leadership resources effectively to set up strict conditions for the access to the Single Market. In particular the firm stand on the indivisibility of the four freedoms (Young, 1991: 288-293, Underdal, 1994: 186-187, Blondel, 187, Elgie, 1995: 4).

Likewise, the big reputational resource that lays the institutional constrains of the negotiations defined by EU law is also utilized effectively to exercise instrumental leadership.

The internal agreement on not making exceptions on the compliance of EU law for the UK means that the EU is able to use existing EU law to direct the negotiation and completely avoid making concessions on the four freedoms. Hence, effectively utilizing the statues resource of ECL to exercise instrumental leadership.

However, the negotiation strategies used by the EU with a high focus on institutional leadership building on the arguments of an ‘of the shelf solutions’, means that the initiative of entrepreneurial leadership is passes on to the UK.
This is especially the case on the question of the Irish boarder where no existing international agreement can provide inspiration which require such innovation solutions.

5.2 UK: Internal disagreement and leadership difficulties

This part of the analysis will focus on the leadership resources available to the British government in the Brexit negotiations and it will attempt to uncover how the government’s ability to mobilize these leadership resources are affected by the internal disagreement within the British government.

5.2.1 An internal divide within the British government?

5.2.1a National preference formation in a divided government

As highlighted in the theoretical framework of this thesis there as several different ways in which international politics can affect an actor’s negotiation strategies in international negotiations, one of these is the way competition of influence in the national political arena helps shape national preferences in the negotiations (Beach, 2012: 63-82).

The four speeches that constitute the empirical material for analysis contains evidence of how internal disagreement within the British government made it difficult to agree on a national preference on several central questions in the Brexit negotiations.

One area in which there can be identified different opinions amongst the four ministers is on the question of what importance the UK should put on upholding current EU standards for environmental protection and protection workers rights in order to secure fair competition between the EU and the UK in the future.

In David Davis speech from January 20th he expresses that the UK will not lower its environmental and workers rights standards after leaving the EU.

...So international collaboration, such as the Paris Climate Agreement, is vital if we are
going to protect our environment for future generations...— that will mean continuing to work with other European countries to drive new standards (Davis, 2018: l. 159-166).

However, in his speech hosted just six days earlier Boris Johnson pointed to several different areas where existing EU standards and agreements could be changed and argued that the British government alone should have the right to set UK standards, whether they were to mirror EU standards or not.

...We will be able, if we so choose, to fish our own fish, to ban the traffic in live animals, end payments to some of the richest landowners in Britain...and we will be able to cut VAT on domestic fuel and other products (Johnson, 2018: ll. 361-364).

5.2.1b Varying levels of political agreement

While there are disagreements within the British government about several central issues in the Brexit negotiations, there are also areas with agreements, such as the fact that a trade agreement with the EU should include trade in digital, broadcasting and financial services (May, 2018; Fox, 2018; Johnson, 2018).

However, there is disagreement about which concessions can or cannot be made to obtain this wish. Boris Johnson states the importance of not negotiating with the need for an independent immigration policy, while Liam Fox expresses the importance of being able to strike independent trade deals in the future.

Johnson:
...we also need to ask ourselves some hard questions about the impact of 20 years of uncontrolled immigration by low-skilled, low-wage workers (Johnson, 2018: ll. 279-289)

Fox:
Digital trade is inherently transnational, and e-commerce offers previously unknown opportunities... In many areas of this important agenda, the EU has not kept pace. There is a real opportunity for the UK to become a global leader in digital trade (Fox, 2018).
However, there is especially one area in which there is expressed complete agreement: That no trade agreement that would result a hardening of the boarder between Ireland and Northern Ireland can be acceptable.

Fox:

> And on Northern Ireland, it is, of course, as precious a part of our United Kingdom as any other, so it's vital that it has a full share in our future prosperity and our opportunities as a trading nation. The avoidance of a hard border in Northern Ireland is of crucial importance, as is the prevention of trade barriers between Northern Ireland and Great Britain (Fox, 2018).

The following part of this analysis will examine how such internal division within the British government affects their ability to exercise leadership in the negotiations with the EU.

### 5.2.1c Changing negotiation positions

Another way internal politics can influence international negotiations is through changes in negotiation positions. As stated in the theoretical framework of this thesis, unstable coalitions or changes in the national political environment can cause politicians to change their mind on existing positions (Beach, 2012: 63-82; Rubin and Swap, 1994:132-142).

The question of what the future customs relationship between the EU and the UK is one of the most central questions in the Brexit negotiations (Rehman and Posta, 2018; Gutmann and Schere, 2017). Also on this question the speeches include examples of different ministers expressing different positions on this question.

Both Johnson and David Davis express uncertainty or leave out any remarks about whether the UK negotiates for a FTA or a customs union, while Fox and May clearly state, that the UK is opting for a FTA.

Johnson:

> To those who worry about coming out of the customs union or the single market... (Johnson, 2018: ll. 294).
Fox:

*As we are leaving the European Union, necessarily, we cannot remain in the Customs Union, which is open only to EU member states. The alternative has been proposed that we enter a new customs union with the European Union. But what would this mean? (Fox, 2018: ll. 256-259)*

On this question, it is worth noting, that the speeches by Johnson and Davis were delivered before the speeches of Fox and May. This means, that the uncertainty expressed by Johnson and Davis can be a result of a development of a common position on this matter within the British government during the time span of this analysis.

It is not explicitly stated, that the doubt expressed by Johnson and Davis on the question is due to the lack of an official position on the question from a united British Government.

However, the question of whether the UK wishes to pursue a FTA or a customs union has been the central question of the future trade relationship between the UK and the EU. Thus, it can reasonably be assumed, that Johnson and Davis would have mentioned that the UK was aiming for a FTA on WTO terms, if this had been the official position of the government at the time of their speeches.

Hence, it is reasonable to conclude that the final position of the British government on the to peruse a FTA was developed as late as in the end of February 2018.

The late development of a position on such a central question to the future negotiation can have been caused by internal disagreement on the issue within the government.

### 5.2. 1 Leadership resources and practices

#### 5.2.1a Failed British attempts of structural leadership
This chapter will look at the leadership resources available to the UK in the negotiations with the EC about the future trade relationship between the EU and the UK. The aim is to examine the extent to which these leadership resources have been utilized to their full potential.

As was the case with the analysis of the leadership of the EC, this chapter is build on the assumption that leadership recourses can be of different natures and the chapter divides leadership recourses into Martial, instrumental, intellectual and entrepreneurial resources which are capacities that can be used to exercise leadership of successfully mobilized (Young, 1991; Underdal, 1994).

As argued above the material resources available to the EU in the form of the economic power of the Single Market is effectively utilized to exercise structural leadership in the negotiations with the UK.

However, while the economy of Single Market is an overwhelmingly important material resource the UK is not without material resources that can be used to influence the negotiations in their favor.

While the UK is more dependent on maintaining full market access to the Single market, than the EU is depended on maintaining full access to the British market, there are economic some sectors where the British market is amongst the biggest national markets within the single market (Sowels, 2017).

These sectors include the financial sector in which London remains one of the most important financial centers in the world. It includes the technological sector as well as the educational sector and health security (Sowels, 2017; Ringe, 2017). In these areas the EU is equally dependent on maintaining reciprocal market access.

The British dominance in these economic sectors is a big material resource for the UK. However, leadership literature generally agrees that leadership resources need to be transformed into the act of leadership, to be of importance (Young, 1991; Underdal, 1994; Blondel, 1987; Elgie, 1995).
Thus, to successfully transform these resources into actual leadership, the UK should use these recourses to developing a proposal that would require concessions from the EC in other areas.

None of the British ministers fail to remind the EC of the structural resources that dominance in these economic sectors gives the UK. However, the resources are poorly utilized to gain concessions from the EU.

This thesis argues that, the problem of transforming leadership resources into actual leadership stems from the internal disagreement within the British government about own preferences.

As the UKs biggest trading partner, the British economy relies on easy and frictionless access to the Single market. Therefore, it is in British interest, that goods moving between the UK and the EU will undergo as little physical customs checks as possible (May, 2018).

For this to be possible, it is necessary that the FTA agreement between the UK and the EU includes mutual recognition of each others standards in all areas, trusting that customs checks made by the other part, lives up to the other parts internal standards (May, 2018).

These areas where both parts are depended on maintaining reciprocal access to each other markets, such as trade in financial services, educational and research resources, and health security could have been utilized by the UK to gain concession by the EU on the question of mutual recognition of standards.

In her speech from the 2nd of March May attempts to just that. She highlights the important role of the UK in the financial, technological and educational sectors and uses this as an argument of the need of mutual recognition of standards in all areas.

*But with UK located banks underwriting around half of the debt and equity issued by EU companies and providing more than £1.1 trillion of cross-border lending to the rest of the EU in 2015 alone, this is a clear example of where only looking at precedent would hurt both the UK and EU economies (May, 2018).*

Furthermore, she gives concessions on the question of free movement of people and opens up to a discussion on the area without setting any red line before hand (May, 2018).
However, the ministers within the British government express different positions on the interest in converging standards and the willingness to allow free movement of people.

Davis uses his speech to ensure that the UK will uphold EU standards after leaving the EU, Johnson expresses that the UK will gain the freedom to set their own standards (Davis, 2018; Johnson, 2018).

This allows the EU to use these different statements made by different ministers, to debunk the promises made by May regarding free movement of people and the commitment to upholding EU standards after leaving the EU.

Reiterates the need to set up safeguards to ensure the maintenance both of high standards and a level playing field in the areas of environmental protection, action against climate change, food safety and public health (European Parliament, 2018;

Thus, the internal incoherence within the British government means that May's does not succeed in using these material resources of market dominance in certain areas, to gain concessions from the EU on the question of mutual recognition of standards.

5.2.2b UK: Inferior in Instrumental leadership resources

As mentioned above, the EU possesses important instrumental resources. Experience is one kind of instrumental leadership resource and in this area the EU is overwhelmingly superior to the UK (Underdal, 1994: 190).

Since the establishment of the Single Market in 1992 the EU has negotiated common trade deals with third countries. In practice this means, that the UK has no experience negotiating independent free trade agreement during the last 26 years (Borchardt, 2016; Fox, 2018).
Furthermore, the EU possesses the instrumental resources that the negotiations are taking place within the institutional framework of the EU and successfully draws on the fact, that the UK during the negotiations continues to be subject to EU law (Borchardt, 2016: 133-141).

Independence from the legal constraints of the ECJ is a big topic within the UK, however, in the negotiation with the EU, the UK is forced to accept the mandate of the ECJ in determining the legality of any agreement negotiated, as well as whether such agreement is sufficiently respected in the future (May, 2018; Johnson 2018).

The British government is openly aware of its inferiority in instrumental leadership resources compared to the EU and especially the power of the ECJ. May states the following in her speech from the 2nd of March 2018:

For a start, the ECJ determines whether agreements the EU has struck are legal under the EU’s own law – as the US found when the ECJ declared the Safe Harbor Framework for data sharing invalid (May, 2018).

The UK does not possess the same instrumental leadership resources, neither in experience nor in the form of formal leadership as the EU, and the lacking execution of instrumental leadership is thus not solely a result of internal disagreement, but rather a realization of own inferiority.

In stead, the British government seeks the opportunity to question the instrumental leadership of the EU, by pointing to the fact, that not all of the institutional constraints set up by the EU are results of instrumental leadership resources of the EU, but rather stems from other international organizations that the EU and the UK are members of on equal terms

The UK will need to make a strong commitment that its regulatory standards will remain as high as the EU’s... Many of these regulatory standards are themselves underpinned by international standards set by non-EU bodies of which we will remain a member (May, 2018)

Rather than utilizing own resources, the only option for the British government is to attempt to question these instrumental leadership resources of the EU.
Thus, to conclude, the inability of the British government to practice institutional leadership is due to the superiority of the instrumental resources of the EU, rather than to internal matters within the British government.

**5.2.2c Creative ideas and entrepreneurial leadership:**

As mentioned in the previous chapter the EU has extensive experience in striking trade deals and an advantage in ECL. However, the extensive emphasis of existing institutions does, that the EU does not explore new creative solutions.

According to Young, coming up with such new and creative solutions to problems is a leadership resource itself (Young, 1991: 193-198).

Not managing to exercising entrepreneurial leadership in crucial areas such as the question of the Irish boarder leaves the UK with the opportunity to create creative solutions and use these to exercise entrepreneurial leadership that could change the negotiations in their favour.

This opportunity is utilized by the UK. The EU has previously suggested that customs checks could take place between Northern Ireland and the UK. A suggestion that would mean custom checks between different parts of the UK was a clearly unacceptable solution for the British government (May, 2018; Fox, 2018).

Instead the British government present a suggestion that has not yet been seen in free trade agreements: Technological boarder controls and custom checks with two different sets of standards for goods arriving to the EU (May, 2018).

The suggestion means that goods arriving in the UK intended for the Single Market would go throw custom checks at the British boarder applying the tariff and standards required for products imported directly into the EU, while goods intended for the British market, would go throw custom checks applying the tariffs and standards set by the British government at the time (May, 2018).
This suggestion is not just innovative and not yet seen in any free trade agreement, it is used to strengthen a big wish of the British Government for an agreement on mutual recognition of standards.

Mutual recognition of standards is an important point for the British government, because physical trade barriers between the UK and the EU would damage the British economy more than it would damage the Single market (May, 2018).

The suggestion of a two-folded customs check at the British boarder would require, that the EU trusts the UK to uphold EU standards while not being a member of the EU.

As argued earlier, the British government has had difficulties convincing the EU, that this was in their interests, because internal disagreement within the British government has caused different ministers to express different opinions on the issue (European Parliament, 2018; Johnson, 2018; Davis, 2018).

With the suggestion of a two-folded custom check at the British boarder and a technological boarder control between Ireland and northern Ireland, The UK has come up with a suggestion the could in fact introduce custom checks without hardening the Irish boarder.

This is one of the most important criteria of a FTA for both parts and the EU itself has not been able to come up with a solution that could solve this problem. Consequently, the EU is forced to seriously consider its position on the question of mutual recognition of standards.

...But it is not good enough to say, ‘We won’t introduce a hard border; if the EU forces Ireland to do it, that’s down to them’. We chose to leave; we have a responsibility to help find a solution (May, 2018).

Hence, the British government manages to exercise entrepreneurial leadership, by using creative suggestions to turn the negotiations out of a near dead locked situation on the question of the Irish boarder. And it manages to do so in a way that leads the negotiations in a direction favorable to the UK.

As seen in the previous chapter, the EU has used it instrumental resources to stand firm on the fact that
the four freedoms of free movement of goods, services, capital and people comes together or not at all (European Council, 2018: 7; European Parliament, 2018: 4; Barnier, 2018).

On the question of free movement, the EU has accused the UK of ‘cherry picking’ between the benefits of EU membership (European Council, 2018: 7; European Parliament, 2018: 12).

However, British government refuses to talk about the issue of limited free movement of people as cherry picking. Instead the British Government argues that cooperation on some areas and not in other cannot be talked about as cherry picking, because all FTAs are different and all FTA include cooperation in some areas but not in others.

...The fact is that every Free Trade Agreement has varying market access depending on the respective interests of the countries involved. If this is cherry-picking, then every trade arrangement is cherry-picking (May, 2018).

Instead the British government repeatedly state, that the FTA between the EU and the UK, should not be an ‘of the shelf’ agreement, but rather an agreement costume made to fit the unique relationship between the EU and the UK (May, 2018).

We are not discussion harmonization but divergence... we are not Switzerland or Canada, we are the United Kingdom (May, 2018)

However, while heavily arguing for an innovation agreement on the question of free movement of people, the British government does not present a suggestion on the issue. Rather they let the EU move first on this question:

...But UK citizens will still want to work and study in EU countries – just as EU citizens will want to do the same here.... And we are open to discussing how to facilitate these valuable links (May, 2018).

There could be identifies two possible reasons why the British success in exercising entrepreneurial leadership on the question of the Irish boarder but does managing to do so on this question.

The inability to present solutions in this area might be due to internal disagreement on the importance of free movement of people. Such disagreement is visible in opposing statements expressed in

Johnson:

...We also need to ask ourselves some hard questions about the impact of 20 years of uncontrolled immigration by low-skilled, low-wage workers (Johnson, 2018: ll. 279-289)

May:

...But UK citizens will still want to work and study in EU countries – just as EU citizens will want to do the same here.... And we are open to discussing how to facilitate these valuable links (May, 2018).

However, as argued above the question regarding the four free movements, including free movement of people, is one of the areas where the EU manages to exercises effective instrumental leadership, by utilizing the great reputational resources available to them in the form of ECL to direct the negotiations away from any suggestions that could cause a separation of the four free movements.

Hence there can be two reasons why the UK manages to exercise effective entrepreneurial leadership on the question of the Irish boarder but fails to do so, on the questions free movement of people.

Firstly, the internal divide within the British government affects the ability to come up with a clear position on the issue.

Secondly, it is an area where the EU has managed to exercise highly effective leadership that directs the negations away of such questions of the indivisibility of the four free movements.

5.2.2d Conclusions about UK leadership mobilization

This chapter has argued, that the British government has been divided internally on different issues. Amongst these was the question of whether to uphold EU environmental and workers rights standards in order to secure market competition between the EU and the UK.

Furthermore, the four speeches express insecurities about the British preference on whether to purpose a customs union or a FTA with the EU.
The thesis argues that these internal disagreements affect the British Government’s ability to influence the negotiations.

The biggest material leadership resources available to the UK is the importance of London as one of the world's biggest financial trading hubs, as well as the fact that the UK makes up a big part of the economy of the single market in areas such as digital services, broadcasting and research (Fox, 2018).

However, The UK is unable to utilize this material leadership resource, due to internal disagreement within the British government over the willingness to live up to EU environment and workers rights standards.

Furthermore, the UK does not act as an instrumental leader either. This however, is argued not to be a result of internal disagreement within the British government, but because the EU very effectively exercises such instrumental leadership.

The British government criticises the EU's wish for the future trade relationship between the EU and the UK to be an ‘of the shelf solution’. Instead the UK calls for new solutions that fit the unique relationship between the EU and the UK (May, 2018).

The question of the Irish border is an area where the British government completely agree that there can be no hardening of the Irish border, and on this question the UK manages to propose an innovative solution that not only directs the negotiations out of a near dead lock situation but also in a direction that could end up being favourable to the UK itself (May, 2018; Johnson, 2018; Fox, 2018; Davis, 2018).

However, as the British government does not manage to come up with the same kind of creative suggestions on questions where the British government is more internally divided.

This thesis concludes that the ability of the UK to exercise the entrepreneurial leadership that it has itself called for is dependents partially on where there is agreement within the British government of the issue.
6.0 Conclusion

6.1 Summery

This thesis is build on the finding of many studies before it and assumes the internal politics can influence internal negotiations and it purpose of this study has been to understand how internal politics influences the Brexit negotiations (Boyer et. al., 2010: 94-104; Beach, 2012: 63-90, Ripsman, 2009, Rosenson, 2009; Rosenau, 1961; Page and Shapiro, 1983; Bartels, 1991).

This thesis has attempted to answer the following research question:

*How can we understand the role of internal politics in the negotiations about the future relationship between the United Kingdom and the European union after the 31st of December 2020?*

It is especially relevant to understand the role of internal politics in the Brexit negotiations as they have been defined by a high level of internal disagreement within the British government and a high level of agreement within the EU.

Furthermore, a lot of existing theorizing about international negotiations suggest that parties that engage in continues negotiations with each other are likely to develop a negotiation culture that can affect future negotiations (Boyer et. al., 2010: 50).

As these are the first negotiations between the EU and the UK where the UK negotiate as a third part, these negotiations could end up affecting the following negotiations between the parts in the future.

In a review of literature about European institution building, this thesis argued that the EC can be considered a supranational institution; especially in areas related to the functioning of the Single Market (Pollack, 2017; Tallberg, 2006).
The issue areas analysed in this thesis are to a large extent related to the Single Market. Therefore this thesis treats the EU as one actor that is capable of acting autonomously and finds it reasonable to assume that the EU can be affected by internal politics.

The study has been operationalized as a qualitative textual analysis of key speeches by hosted by British ministers stating the British position in the negotiations as well as documents publics by the ECM, the EP and a speech by chef negotiator for the commission, Michael Barnier which state the EU's position in the negotiations.

The analysis first identified key areas of agreement and disagreement between the actors and thereafter the leadership resources, which were mentioned by the different actors.

Lastly the analyses examined how such leadership resources where utilized to influence the direction of the negotiations and how the ability to utilize the identified leadership resources are affected by the level of internal cohesion.

### 6.2 Key finding

This study concludes, that the strategy of the EU to act highly united makes it possible to utilize the great material resources of the Single Market by maintaining the integrity of the Single Market and keeping it as what it was designed to be: One market.

The collective economy of the Single Market makes the importance of UK access to the Single Market greater for the UK, than what would have been the case, in a situation where the UK could strike bilateral agreements with each of the 27 member states.
The economic importance of the Single Market means that the EU is able to use it instrumental leadership resources to set up strict conditions for market access. This is successfully done by keeping a firm a united stand on the indivisibility of the four freedoms.

However, the negotiation strategies used by the EU focuses heavily on instrumental leadership, as the EU uses its experience in negotiating trade deals to argue, that the future customs relationship between the EU and the UK must be an ‘off the shelf’ solution.

Building its leadership strategies on the experience with existing trade deals and arguing for an ‘of the shelf solution’, leaves a room open for the UK too seek to influence the negotiations with new creative solutions that are not part of any existing trade agreements.

This is especially the case on the question of the Irish boarder where no existing international agreement can provide inspiration and as such require innovative solutions.

The British government has criticized EU for advocating for an ‘off the shelf solution’ for a relationship as unique as that between the EU and the UK (May, 2018).

And on the question of the Irish boarder the British government manages to propose an innovative solution, that not only directs the negotiations out of a near dead lock situation, but also in a direction the could end up being favourable to the UK itself (May, 2018).

The issue of the Irish boarder is an area where there is complete agreement within the British government that no trade agreement can lead to a hardening of the Irish boarder nor a customs wall between Northern Ireland and remaining parts of the UK (Fox, 2018; Davis, 2018; May, 2018).

In other issues discussed in this analysis, such as the relation between the movement of people and the movement of services, the British government does not manage to come up with such creative suggestions.

The question of the importance of an independent immigration policy is an area where there is disagreement between the different ministers in the British Government, which could be one
reason why no such suggestions are developed in this question (Johnson, 2018; May, 2018; Davis, 2018).

However, the question of the indivisibility of the four freedoms is also an area in which the EU manages to use ECL to exercise a strong leadership role. Thus it cannot be concluded, that the reason that the UK does not play the role of an instrumental leader necessarily is related to internal disagreement within the British government.

On the other hand, internal disagreement influences the ability of the British government to utilize the material resources available.

These resources include the importance of London as one of the worlds biggest financial trading hubs, as well as the fact that the UK makes up a big part of the economy of the single market in areas such as digital services, broadcasting and research (Fox, 2018).

However, internal disagreement within the British government over the willingness to live up to EU environment and workers rights standards means the EU is able to use the internal disagreement within the British government to debunk attempts to use such material resources to gain concessions from the EU.

6.3 Remarks

lastly it must one again be mentioned that this analysis was conducted before the resent events where David Davis and Boris Johnson resigned from offices the 8th and 9th of July 2018 and that these event thus have not been taken into account in the analysis.

Likewise, the analysis was conducted before the EU officially confirmed that it does not accept the British suggestion of a customs agreement that was discussed in this thesis. This accouchement was made by Michael Barnier the 26th of July 2018.
Bibliography


Dehousse, F. (2017). In the Brexit negotiation, the UK will never escape the close connection between judicial and trade cooperation. Egmont Commentary. [online] Available at: http://aei.pitt.edu/92813/ [Accessed 15 Aug. 2018].


Thompson, L. (2015). Mind & Heart of the Neg GE. Pearson Australia Pty Ltd.


Turner, E., Glencross, A., Bilcik, V. and Green, S. (2018). Negotiating as One Europe or several? The variable geometry of the EU’s approach to Brexit. Contemporary Social Science, pp.1-16.


Underdal, A. (2012). *Strategies in international regime negotiations: reflecting background conditions or shaping outcomes?*.


