

## [EU renegotiation: UK must play hardball, with referendum threat](#) [1]

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There is talk of Britain renegotiating its relationship with the European Union, and the 'in' and 'out' lobbies have been marshalling their troops. But a report for the Adam Smith Institute concludes that, whichever outcome it prefers, the British government needs to raise its game to get anything at all from the talks.

In [Britain and the EU: A Negotiator's Guide](#) [3], City analyst Miles Saltiel says the Prime Minister should not rely on civil servants with EU 'form' but instead recruit 'tag-teams' of hardened negotiators who have 'iron discipline' and the stamina to survive gruelling late-night bargaining sessions. They will need the backing of experts in law, economics, politics and negotiating psychology, and must be prepared to use not just the media and public opinion, but the 'dark arts' of every aspect of negotiating too.

Saltiel asks how much commitment the government is willing to invest in the renegotiations. If the UK really wants to stay in, will it challenge the other side enough? Will its team be full of tough negotiators who can look at what's offered objectively, or 'old Europe hands' who will easily fold? Will it be prepared to play hardball? Will it threaten a referendum if deal-breaking conditions are not met?

Britain's best negotiating chip is that it is not getting enough tangible benefits in return for giving up sovereignty. Specifically, the EU has not yet delivered a free market in services – crucial to the UK because of its large financial sector. Its negotiators should set a deadline on this, and other failures.

Saltiel, an experienced international negotiator, says that the government must be prepared to stand on the brink, even if it does not want to step over it. To strengthen its hand, it should hold two referendums. The first would provide a mandate to renegotiate, and would set a deadline to prevent the talks dragging on indefinitely. The second would seek voters' approval of the eventual deal – or their permission to get tougher if the negotiations are stalled.

Analysing the arguments and counter-arguments that will be raised on the key issues, Saltiel says that the UK needs to marshal its opening, fallback and hardball positions, and will achieve little if it is not prepared to play hardball.

But would a hardball threat to pull out of the Union be credible? There would be disruption in terms of diplomacy, trade, investment, business and consumer confidence, he warns. But on most fronts, he concludes, Britain could survive out of the EU, given 'good luck and good management.'

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