Brexit: The View from Denmark

Written by Mette Eilstrup-Sangiovanni

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Given the two countries' geographical and cultural proximity and strong trade ties, Britain's farewell to the EU is likely to affect Denmark in profound ways. Denmark followed Britain into the European Community in 1973 and—along with the UK—has remained one the EC/EU's most skeptical members. Since deciding to join the EC in 1972, Danes have held a further seven national referenda on EU-related questions, which have led it to negotiate a raft of opt-outs from European treaties. Denmark opted out of the Common Security and Defense Policy and cooperation on Justice & Home Affairs and refused to accept the institution of European citizenship introduced by the Maastricht Treaty (1992). Like Britain, Denmark also rejected the Euro.

It should come as no surprise, therefore, that Cameron's decision to call a referendum on EU membership fanned the flames of Danish euro-skepticism and prompted EU opponents on the left and right to demand a referendum on 'Dexit'. As the Brexit campaign unfolded, polls showed a steady increase in anti-EU sentiment with 42% of Danes demanding a referendum on EU membership. Yet once the British vote took place, Danes appeared to make a sudden U-turn. A poll conducted by the Danish news service Ritzau on July 4th showed that only 32% of Danes now thought a referendum sounded like a good idea, and 69% said they favored EU membership.

What caused appetite for 'Dexit' to suddenly evaporate? Some commentators have suggested the British 'no vote' and the resulting plummeting of the Pound sparked voters' deep-rooted fear of change. "This poll confirms that nobody wants to put themselves in the kind of mess the British have created for themselves" said Marlene Wind, professor in political science at the University of Copenhagen.

Yet the notion that the British referendum result constituted a wake-up-call for Danish voters and shocked them into backing the Union is doubtful. More likely, the political parties that sought to exploit Brexit to drum up Danish anti-EU sentiment (most notably the right-wing People's Party and the left-wing Red-Green Alliance) misjudged the nature of Danish EU-skepticism.

Unlike many Brits, the Danes are not generally 'hard' EU-skeptics, poised against membership. Recent academic studies and surveys show that Danish EU-opposition centers on specific aspects of European integration, rather than the project overall. Danes most strongly oppose integration initiatives that are seen to undermine national sovereignty. For example, Danes display greater hostility towards Euro-federalism than any other Member State—dwarfing even British antagonism (When asked by Euro-barometer 2015 whether they felt the EU should move towards federation, 74% strongly disagreed—twice the EU average). At the same time, Danes are traditionally strongly supportive of social and economic integration, and—unlike the Brits—they don't tend to view the EU as undemocratic. When asked by Euro-barometer in 2015 whether they felt their 'voice counts' in the EU, 68% of Danes answered 'yes' (against 31% EU average and a mere 27% in the UK). The barometer also indicated that 74% of Danes viewed the future of the EU optimistically. The very fact that Danes have continuously been asked whether they agree with further steps towards closer European integration and have bailed out of aspects they felt uncomfortable with may go some way towards explaining their relative satisfaction with the European project as it stands. Thus, while many Danes might welcome another referendum as an opportunity to contest aspects of European integration, a vote on 'Dexit' was probably never in the cards.

Still, Danes do have reason to worry about the future of the Union after Brexit. Britain is Denmark's fourth largest

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trading partner, and Brexit is likely to reduce Danish exports. The hardest hit will be Danish farmers. Denmark, a country with a population of just 5 million, is home to 30 million pigs, and 90% of the pork produced is exported—primarily to the UK. As the pound falls and Danish goods become pricier in Britain, these exports are forecast to decline.

Brexit will also have implications for employment and immigration law. 10,000 UK citizens currently live and work in Denmark while 20,000 Danes reside in Britain. Denmark's current legal opt-outs mean that EU immigration rules for non-EU nationals do not apply in Denmark. Once Brexit becomes a reality, British workers in Denmark will therefore be subject to strict Danish immigration rules (unless a special agreement is secured) involving the notorious Danish 'Point System' which has come under fire from international bodies for breaching human rights legislation. On the other hand, the many Danish students studying at UK universities may in future be subject to higher tuition fees and may lose access to European funding schemes.

The deep interdependencies between the two countries might lead one to prophesy that Denmark will seek to treat Britain well during the coming Brexit negotiations, pushing for generous terms of British access to the Single Market. Not so! While most EU members have been slow to prepare for Brexit negotiations, the Danes were quick to clarify their stance. As Prime Minister Lars Løkke recently quipped, "Denmark was far better prepared for Brexit than the UK was". Within 24 hours of the UK referendum, the government established a 'cross-ministerial taskforce' to identify the areas that would be impacted by Brexit and decide how Denmark should approach negotiations with Britain. According to then Foreign Minister, Kristian Jensen, ministers soon agreed: "We decided that what is best for Denmark is protecting the long-term health of the country's biggest source of wealth: the Single Market". From a Danish perspective, this means insisting that any form of single market access demands full respect for the 'four freedoms'.

The tough Danish position is easily explained. Denmark is a tiny country with a large foreign trade. 53% of Denmark's GDP is comprised by exports, mostly to countries within the Single Market. Granting Britain a charitable deal (say, access to the Single Market with rights to restrict inward EU migration) might embolden other member states to follow Britain's example and trigger a gradual disintegration of the Single Market bloc—something Denmark could ill afford.

The immediate effects of Brexit for Denmark may be economic, but the long-term implications may nonetheless be political. Although Danes have a generally positive view of the EU, Brexit may boost anti-EU forces on the political right. This could lead to a qualitative shift in Danish EU-skepticism. Traditionally, Danish euro-skepticism has flourished among parties on the left. This has changed in recent years with EU-opposition increasingly becoming a pet issue for the far right. Brexit may reinforce this trend. What's more, with Britain out, the EU may take a more supranational turn on issues such as security and defense and social welfare. This may also stoke Danish skepticism. Much will depend on how Brexit turns out. If Brexit pans out relatively well for the UK economy, anti-EU voices may continue to provide a thorn in the side of centrist parties in Denmark.

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