

A CHAPTER IN GLOBAL HISTORY: THE INEVITABLE BREXIT

**50 years in search for restoring a lost
identity: 1973 - 2022**

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1. Getting Brexit done: a short history to the long Brexit road from a UK perspective



1973:

The UK joined the then EEC; but hesitation from the beginning: losing the UK identity > 3 major elements;
* Insularity; * Global hegemon; *Exceptionalism

1975:

already a first referendum; 67% agreed to stay; under the leadership of Thatcher; a conservative YES to Europe!!

1975 – 1990

Relatively quiet period concerning EEC membership;
The topic didn't disappear as a discussion topic, but it wasn't thematized. That changed in the run up to the Maastricht Treaty!

1992: *annus mirabilis*

Maastricht Treaty: an ambitious agenda, signed by the 12 member states, incl UK:

closer integration, establishment of the Euro, European citizenship, EU passport; free movement in the Schengenzone. Maastricht Treaty = unprecedented! **The basis of the modern EU with 27 member states in 2022.**

But: the UK kept distance; the public: not at ease with the treaty; UK never adopted the Euro; an own UK identity!

2008:

Financial crisis; in the UK intensified suspicion about the EU. Future of Britain perceived as uncertain: influx of immigrants from poor EU states and – later of immigrants from the Middle East and Africa

2013:

Then-PM David Cameron promised: if his Cons Party wins the elections, then a referendum

2016 June

UK Referendum, the most important pol event after WW2



***Johnson campaigning for leaving, smart slogans:
LET'S TAKE BACK CONTROL
and
GETTING BREXIT DONE***

Implication: safeguarding the country against the sudden fancy ideas and interests of the EU while asserting national dignity, independence and identity!

(source: The Economist 28 Jan – 3 Feb 2017, p. 26)

This feeling was dominant: back to the good old UK identity, the British empire ruling the global waves

**BUT: - control about what?
- how to get Brexit done?**

June 2016 referendum results:

33.6 million votes were cast

turnout of 72.2%: very high!!!(Except for the Scottish Independence Referendum in September 2014, this was the highest turnout since the 1992 UK parliamentary general election)

The outcome of the referendum:

- 16,141,241 people (**48.1% of all voters**) voted: **remain** a member of the European Union; remainers: London, Northern Ireland, Scotland
- 17,410,742 people (**51.9% of all voters**) voted: to **leave** the European Union
- Only a margin of about 1.27 million votes (about 3%)

2016 (July)

PM David Cameron (remainer; Cons) resigns

Theresa May (Cons) new PM

Article 50 of the EU triggered (withdrawal within 2 years)

2017 (June)

General elections: Cons minority govt

2019 (May)

May resigns: due to being unable to get her Brexit plans through Parliament

2019 (July)

Johnson PM; start of chaos inside and outside parliament

2019 (Dec)

Early gen elections; a Cons landslide 80-seat majority!
Johnson's second cabinet

2020 (Jan)

EU Withdrawal Agreement Bill accepted by
UK and the EU Parliaments;

Consequently the UK withdraws from the EU (31 Jan 2020)

Start of the transition one year transition period

31 Dec 2021: formal separation from the EU

That leaves the EU now with $28 - 1 = 27$ member states

The current EU 2022: 27 countries; 447 million people = 3.6 x pop JP



The UK formal separation from the EU = end of story of UK problems? No, on the one side: deliberations with EU not finished, on the other side: the beginning of a completely new set of non-EU problems! Have a look:

The first problem: 2022 July

PM Johnson compelled to resign (a.o. Pincher affair, Partygate, cost of living, lack of focus and integrity)



Anything to be seen on the horizon, Boris?

Sept 2022

Liz Truss new PM (4th Cons PM in 6 years!)
Supported *remain* in the 2016 referendum,
But became a *leaver*



A narrower-than-expected victory:

Liz Truss: 57.4%

Rishi Sunak: 42.6%

About 142 k votes cast by members of the Cons Party

Truss faces many non-EU-related problems, e.g.:

- Double digit inflation
- A looming recession
- Labor unrest
- Soaring household energy bills
- Restoring the party unity
- Scotland's wish to hold a referendum

>>>>>Who is going to pay for these measures? Unfunded borrowing!

And a number of EU-related problems, e.g.

- Finalizing talks about the status of Northern Ireland
- Finalizing talks about EU-UK trade agreement

Truss has to be **GETTING BACK CONTROL**, but in a completely different way as meant by Johnson!

In her first speech as PM (Sept 8, 2022) key focus points:

- Taxation and cost of living
- Climate and green energy
- Health and social care (NHS)

PM Truss has a zealous committment to privatization, deregulation and tax cutting (remake of PM Thatcher). In addition: she is in thrall to the legacy of The Great British Empire (NYTimes 8 Sept 2022)

That means: **back to square 1: before 1973** when the UK joined the EU (then EEC).

The long road appears to be a circular circuit: beginning and ending with UK (or better English) nationalism and identity!

2. Instead of getting back control: Getting back chaos!

Some UK implications of the Brexit process

**Even the Big Ben is
a bit out of time**

The Economist
July 27 – Aug 2 2019



Negative UK Brexit implications, e.g.:

- Sudden awareness: end of UK exceptionalism; UK is 'just' a composite of 4 nations: Eng, Scot, Wales and N.Irl; Scot independence? N.Irl to Ireland?
- 4 years of Brexit debate left key social areas in the wilderness: education, health care, security, immigration and recent problems since Ukraine invasion: soaring energy bills, inflation
- Econ impact of Brexit: tariffs, regulations, GDP growth will be lower (average -5%, but imposs to predict)

- The Cons Party = no longer the 'Party of Davos': strong belief in ec and soc neo-liberalism, globalisation, multilateral inst, bus oriented; disdain of nationalism and populism (e.g. Blair and Cameron)
NOTE: end of Davos both left (Corbyn 2015; Starmer now) and right > growth of nationalism
- Strong feeling of Declinism

Question:

Is there a loser and a winner: EU or UK?

Some Brexit implications:

The EU will lose	The UK will loose....
Largest military power	
a nuclear weapons state	
a veto-wielding member of UN Security Council	
2nd largest economy > 18% EU GDP; UK: 65 million people = 13% of EU pop	Free market access to 447 million people
The City: the only truly global fin center	44% of UK exports to EU countries; only 8% of EU exports to UK
	FDI (probably)
	Less favorable terms in trade deals all over the world (probably)
	Citizens lose rights to study, live, work, retire in 27 EU countries
	Fin and HR costs of disentangling from EU: about \$ 35 billion.
General: diminished global stature	Scotland?, Wales?, Northern Ireland?

3. Conclusion: advantages and disadvantages of Brexit for the UK



Chancellor of the exchequer Kwasi Kwarteng and PM Liz Truss The Economist Sept 28 2022

Brexit advantages for the UK:

- **UK reclaimed its sovereignty and identity**
- **Immediate cost reduction for the UK (about 250 million a week)**
- **Reduction of immigration issues**
- **International trade freedom**
- **National (border) security (at least in principle...)**

Brexit disadvantages for the UK:

- **Loss of FDI**
- **Sharing of intelligence becomes difficult**
- **Shortage of high skilled labor**
- **Rise of Average Household cost/inflation**

>>>>>>



>>>> disadvantages

- Delays at Dover; increased export costs to comply with EU rules
- Drop in foreign students to UK universities
- Discussions again about Scottish independence
- Loss of attraction of City als the fin European center
- Discussions concerning N-Ireland back

Do advantages outnumber the disadvantages both in quality and quantity? Too early to tell.

However, getting back *real* control is a utopian wish: the global ec is a system; all elements are connected.

Obviously, trade deals made by the UK alone might work, but

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An unwanted risky pol-ec effect for the UK:

Not getting back control at home < > losing control in world

The Economist July 27-Aug 2



paradox of UK Brexit policies > **UNCERTAINTY / CHAOS**



