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Brexit and Broken Promises

Leaving the EU Without Consequences Was Always a Fantasy

By Peter Hall

The United Kingdom embraced a political fantasy in June 2016, when a slight majority of **Brexit** referendum participants voted for the country to leave the European Union. This was already apparent to some at the time. Not long after the vote, for example, pro-Brexit campaigners were forced to walk back **claims** that leaving the EU would free up 350 million pounds a week for spending on the National Health Service—which is now facing huge staff shortages, partly as a result of the limits on immigration that Brexit was designed to reinforce. But now that the **terms** of the Brexit agreement have been released, the scale of that fantasy is readily apparent to all.

WHEN FANTASY MEETS REALITY

Brexiters campaigned on the prospect that the United Kingdom could retain most of the advantages of remaining in the European single market, which allows for free trade in goods and services across the continent, without paying into the EU coffers or abiding by its regulations. At the same time, they claimed, it could be negotiating free trade deals with other countries designed to advance British exports and

lower the cost of its imports.

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But EU officials feared that if the United Kingdom got such a deal, other countries would follow its lead, thereby posing an existential threat to the union. Neither side wanted a so-called hard Brexit, in which the United Kingdom would leave without an agreement, but a guiding principle of the EU in these negotiations became that the United Kingdom had to suffer losses if it left. And so it will.

For some time, London thought that it would have the upper hand in negotiations, since many exports flow across the English Channel from Europe, not least among them German auto parts. But the EU had the real advantage: its member states can live more easily without free access to British markets than the United Kingdom can live without European access. After all, the European nations remain part of a single market that contains almost 450 million people. The United Kingdom, by contrast, has only the hope of forging new trade agreements with far-flung countries around the world, where the Commonwealth is little more than a fig leaf covering national self-interest and the United States under President Donald Trump has moved in a protectionist direction.

This reality still appears to be lost on the denizens of the fantasyland that British politics has become. On the right, the die-hard Brexiteers are denouncing the deal Prime Minister Theresa May has negotiated,

claiming it amounts to little more than “**vassalage**” to Europe, as if something better could be on offer. On the left, the Labour Party has maintained that it would accept Brexit—as many of its traditional working-class voters wanted—but only if the terms offered on exit were just as good as those the United Kingdom enjoyed while in the EU. Labour Leader Jeremy Corbyn has never been an enthusiast for European integration, and his party’s objective is to walk a tightrope strung between those working-class Leave voters and the many supporters of remaining in the EU who flocked to the party in the last election. Seen in the cold, hard light of day, however, the party’s policy is nonsensical—another fantasy.

Of course, the main goal of the leadership of the Labour Party has little to do with Brexit itself. It is to force the Conservative government into another general election, one that Labour hopes to win despite a lead in the polls that is puzzlingly small given the disarray that has plagued the May government. And elections have already had a significant impact on the course of Brexit. More than any other, the decision that has proved so fateful for the new agreement and may yet prove fatal to the current British government was taken in April 2017, when May chose to call a general election well before one was necessary. Earlier in the year, the Conservative Party was riding high in the polls, and this seemed an opportunity to consolidate its majority. Instead, after an insipid campaign during which many of those who wanted to remain in the EU flocked in revenge to the Labour Party, the Conservatives emerged with a minority of seats in Parliament and had to cobble together a narrow coalition with the Democratic Unionist Party (DUP) in order to govern.

THE BORDER BACKSTOP

The DUP is a small party representing a largely Protestant vote in the divided province of Northern Ireland. After being suddenly thrust into coalition with the Conservatives, that party began to give voice to the

strong views held throughout Northern Ireland that there should be no impediments to flows of trade or people across its border with the Republic of Ireland to the south and, equally consequential, that there should be no such border in the Irish Sea between Northern Ireland and the British mainland.

The first of those aspirations was also the foremost priority of the Republic of Ireland, since the removal of restrictions at the border had been a linchpin of the 1998 agreement that brought peace to Northern Ireland. Its dynamic new head of government, Leo Varadkar, campaigned successfully to ensure that this, too, would become a redline for the EU in the Brexit negotiations. Notwithstanding the many issues that Brexit raises for both sides, the key one—the third rail on which agreement could have foundered—became how to guarantee that there would be no hard border between Northern Ireland and the Republic of Ireland.

After many battles, the final agreement addresses this issue with an aspiration that free flows of goods and people between the north and south of the Irish island can eventually be secured, accompanied by a key “backstop” specifying that the United Kingdom as a whole will remain in a customs union with the EU until both sides agree that the aspiration has been realized through technological or other means. That customs union will allow for a free flow of goods across borders, but it comes with the requirement that the United Kingdom abide by a host of

EU regulations on state aid to firms, taxation, labor standards, and other matters while refraining from negotiating trade agreements with other countries.

Above all, this backstop is what the Brexiteers consider a betrayal. They fear, not without reason, that the United Kingdom will be locked for years, if not decades, into an EU customs union and accompanying regulations over which the British no longer have a say. As it has so often in the past, the “Irish question” brings consternation to British politics.

For all the frustrations of the Brexiteers, however, their situation recalls the famous words of Margaret Thatcher: There is no alternative. May is no Thatcher, and it is not clear she has been especially well served by the ministers she chose to negotiate Brexit, but the geopolitics of the situation make it unlikely she could have secured a better deal. And there is widespread agreement that withdrawal without a deal would create chaos—not only at the docks of the Channel ports but for the British economy as a whole.

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At this point, no one knows if May’s leadership will **survive** the political turmoil that the announcement of this deal has caused or, indeed, if she can get approval for it from a deeply divided Parliament. Within the Conservative Party, Jacob Rees-Mogg, a leading Brexiteer, has already called for a vote of no confidence in her leadership. For the United Kingdom, this is not an especially good deal, something those on all sides of the Brexit debate have been quick to point out. Moreover, it

bears little resemblance to what those who voted to leave the EU in 2016 thought they were being offered.

Frustrations are present on the other side of the Channel as well. Many of the member states of the EU have their own reservations about the terms of the agreement: they continue to worry that the EU regulations to which the United Kingdom will be held as the price of remaining in the customs union are not tough enough. Their fear is that the British will erect a low-tax, low-wage, low-cost economy funneling cheap products across their borders with which their own firms cannot compete. That, too, is something of a fantasy, since the United Kingdom has a more advanced economy than many EU member states, but this is a deal that has to be approved unanimously by those states.

In short, anyone who wanted to make a political horror movie could scarcely dream up a better plot than the one through which the United Kingdom and the EU are now living. We do not yet know how this movie will end, however, not least because the scripts from which most of the major political actors are reading bear only a tangential relationship to reality. 🌐