



Prime Minister Theresa May is welcomed by staff as she arrives at 10 Downing Street for the first time as prime minister on July 13.
Tom Evans/Flickr photo.

Life After Brexit: When Nothing is Clear, is Anything Possible?

Jeremy Kinsman

*Britain's narrow but decisive vote to disengage from the European Union may be digested by history as a bafflingly self-sabotaging act by a Western democracy, as the pinprick that deflated the European project and destabilized the global balance of power—or as something else altogether. Veteran diplomat Jeremy Kinsman, whose Brexit vote post-mortem piece for *opencanada* in July (<https://www.opencanada.org/features/brexit-post-mortem-17-takeaways-fallen-david-cameron/>) went viral in the UK, writes that the process may beget more possibilities than we can now foresee.*

The *New Yorker* cover illustration told one side of the Brexit story: A John Cleese avatar, in a bowler, clearly representing the Ministry of Silly Walks, steps off a cliff into an abyss.

From the other side, former Conservative Foreign Secretary William Hague soothed a Toronto audience with the bromide that all will be for the best once the markets quiet down and the UK's partners adapt to the new reality.

But this new reality is imaginary. No one knows the economic costs or what will happen in the markets or in the unprecedented negotiations with the EU.

There is already ominous economic contraction; GDP is in negative growth

and the pound is down by 12 per cent, though that helps some exports (45 per cent of which go to the EU); job listings and consumer and business confidence have tanked; capital expenditure is flat, though some offshore bargain-hunters have swallowed some cheaper British assets.

The stock market looks positive if you count in cheaper sterling, but not in the vital financial services sector (10 per cent of GDP and 11 per cent of Treasury revenue), which will suffer most if the UK has to quit the EU's single market and London forfeits its status as the number two global financial hub. After a pummeling of their shares, some banks have announced lay-offs.

Prime Minister Theresa May's first task was to calm anxiety and radiate confidence and competence. May will now build a plan for Brexit negotiations, to begin after the end of the year. As she sets the stage for a probable fall election to get her own electoral mandate while the Labour Party seethes in disarray, her speeches already catch the populist zeitgeist with praise for "ordinary working families" and indignation over "unscrupulous bosses."

Doubling down, she warns that "Brexit means Brexit." But beyond channeling the nostalgic yearning of "ordinary people" for distance from Brussels, Brexit's meaning is unknowable. Only time and events will clarify what it means. Meanwhile, May will play for time.

And, with a year being an eternity in politics, anything can happen to change the Brexit calculus.

Just over half of the 72 per cent of eligible voters who cast ballots on June 23 agreed the United Kingdom should leave the European Union after 43 years of membership for a slew of reasons, including: tribal English nativism; anti-immigration sentiment; local alienation from a globalizing, changing, and unfair world; belief the European economy was faltering if not failing; conviction historic British legal sovereignty

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was undermined; and misinformation about the costs of EU membership.

Though essentially negative, these motifs formed the building blocks of the emotive identity-based campaign to “take back control of our country” whose magical thinking promised a positive future.

The lacklustre “Remain” campaign concentrated on the negative risks and costs of Brexit, and couldn't or wouldn't compete with a positive narrative about the UK's membership in the EU, whose merits went unmentioned.

May wants to persuade people to get over and past the recriminations about the referendum campaign to mobilize support on making it work. She needs to herd political cats and lead the bureaucratic machine through an unprecedented process to obtain an outcome that somehow secures Britain's benefits in the relationship to the EU while cutting its risks and costs.

But nothing is clear. What the UK gets out of the exit process largely depends on its 27 EU partners, who are civilized, but not inclined to reward British defection. There are competing psychologies on either side of the Channel.

The vote to separate Britain from the EU may be seen by some in the UK as the paramount European political event since the Berlin Wall fell, but within the EU it arrives on the heels of massive challenges from the financial collapse of Greece and its implications for the Euro's survivability, and then the equally divisive refugee crisis (both

areas from which the UK had opted out). The crises strengthened populist and nativist national identity surges that are roiling European politics leading into all-important French and German elections in 2017.

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The Brexit vote actually had a countering effect of boosting support for the EU in Germany, France, Spain, Italy and elsewhere. But new dangers lurk from precarious Italian banks and nerve-wracking episodes of jihadist terrorism, such as the Nice massacre. The last thing the EU needs is an extended and diversionary quarrel over Brexit. They want to get it over to enable focus and progress on monetary and immigration reform and cooperation, probably easier without the misery of having to wrangle day and night with Eurosceptic British colleagues over what has been for years an almost existential incompatibility over the union's existential goals.

For many older Europeans affected by the memory of Europe's brutal wars, the project aimed at shared identities and greater political as well as economic and financial union. Older



Boris Johnson, who led the Leave forces in the Brexit referendum on June 23, was May's choice to be foreign secretary. Number 10/Flickr photo.

Britons, who have ingested a very different national wartime narrative, failed to warm to the identity project, especially one rooted in the “European social model.”

Though Prime Minister May and the new and provocative foreign minister, Boris Johnson, have assured European partners that a non-membership relationship will be more heartfelt and productive than the quarrelsome past, gestures of the heart won't carry the day.

The vehicle to negotiate Brexit is the never-used Article 50 of the EU's Lisbon Treaty, which provides for a two-year window for the UK to work out a new relationship with EU partners to replace membership in the EU single market, or fall back on WTO tariff terms. As negotiations go, the UK is the “demandeur.” Because British dependence on the EU is greater than EU dependence on Britain (45 per cent of UK exports go to the EU; 8 per cent of the EU's to the UK), the UK has more to lose in concrete terms, whatever the fixation of nativists on symbols of national sovereignty.

To stay in the single market, the UK has to embrace its “four freedoms”—of trade in

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goods, in services and in movement of capital and labour—that the EU holds to be indivisible. But since UK polls indicate that immigration is the public's number one concern, the free movement of labour has been deemed politically unacceptable, a position that now puts the benefits of the single market out of reach.

Actually, Britain is overcrowded but not overrun, and not by European workers. So the UK side could offer to settle for a bit more immigration control in return for only a bit less

of a single market. But this would be unlikely to preserve London's current privileged status under an exceptional EU regulatory “passport” as the leading financial centre for Euro-based transactions, contributing to real economic distress.

May has asserted “There will be no second referendum,” in a put-down of speculative scenarios for a re-do of the June 23 ballot.

But what if those in the EU—the Dutch, Danes, Austrians, Swedes, Poles, Irish, and maybe the Italians and Germans, as well as European Council President Donald Tusk—who have also been cooling on the mantra of an “ever-closer union” proceed beyond talk and begin development of a looser union with more member-state freedom of movement, and even a “variable geometry” in which different members would join different communities of common policy?

If that begins to emerge, against evidence of regrettable UK economic distress, would Britain re-think its exit after all?

The choice of Brexit—whatever it means—was made by only 37 per cent of the country's adults. Former UK Europe Minister Denis MacShane points out that earlier UK referenda required the assent of at least 40 per cent of eligible voters to have valid standing. There was no such requirement on June 23. Nor is there any constitutional guidance on this or on any other aspect of a plebiscite that has, so far, bypassed the House of Commons.

David Cameron called this fateful vote to settle a matter of party politics and to clarify the UK's position in the EU.

The result is that nothing is clear. And that may make anything possible. **P**

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