

Brexit, a Road to Little Britain

Brexit, a political gamble plotted by the British establishment with an aim to weaken the EU, is weakening themselves. Its political as well as economic costs far outweigh any benefits. Prime Minister Boris Johnson will be painted as a bad boy who is solely responsible for the economically negative effects of Brexit. In my opinion, another referendum is likely to be held in the next few months to stay in the EU. In any case, this reasonably carefully-crafted, choreographed and performed farce cannot continue indefinitely. Whereas Brussels is no longer running a tight ship, the EU will not concede to a renewed negotiation. With the special relationship with the US now a thing of the past, what is awaiting will not be 'Global Britain' but 'Little Britain'.

To stay in, or not to stay in

This is the question Britain has had to pose to herself as well as to the EU. The answer probably lies somewhere in between.

It was triggered by the Greek debt crisis in 2010 which raised the question of the sustainability of the Euro as a currency and delighted the Eurosceptic-dominated British establishment. Serious talks of the possibility of Greece's return to the Drachma, namely 'Grexit', surfaced which could lead to a breakup of the Euro. Hence the Euro crisis ensued. It presented London with an excellent opportunity to destabilise Brussels.

However, Germany and France, plus the US/IMF, exhibited a strong political will to save Greece and thereby the Euro, contrary to Britain's expectations. The Euro crisis gave rise to the momentum of further integration of the EU, albeit temporary.

The UK, a non-Euro EU member, had no role to play in the crisis and was being steadily politically marginalised in the community. Thus, the then Conservative Prime Minister David Cameron decided to walk away from the EU summit in December 2011.

Westminster could not sit idly by and allow UK's political influence to be diminished further. Debates in the House of Commons and/or large-scale anti-EU media campaign would have been considered insufficient to reverse the 'more Europe' trend.

Calls for a UK referendum on its EU membership surfaced as early as in Spring of 2012.

Capitalising on the Anti-EU sentiment

Following the Great Recession, the Conservative-Lib Dem coalition government initiated the austerity measures in 2010 which resulted in public spending cuts.

This was an unpopular policy, particularly among the white working class.

Growing anti-immigrant sentiment in the country was fostered with the phrase, 'British jobs for British workers'. Voices such as 'Let us take back control from Brussels!', 'Restore our proud sovereignty!', 'The EU is an undemocratic institution run by unelected bureaucrats!', etc. were becoming louder.

This anti-EU movement was convenient for the government to rock Brussels. Then in January 2013 Cameron pledged that Britain would hold a referendum and ask the people whether the country should continue to stay in the EU or out of it.

This was a 'calculated' political gamble on the back of rising support for the UK Independence Party led by Nigel Farage.

For months prior to the announcement, the establishment must have carefully considered all possible scenarios, and their economic as well as political consequences, including the Irish border issue. Such a big decision could not have been made otherwise.

Brexit to shake the Continent

After winning the majority in the general election in 2015, Cameron started negotiations with the EU officials to secure the British special status within the European Union, but without gains. He must have soon realised that the UK had little room for manoeuvre.

Then the same year saw a huge influx of migrants/refugees into Europe which started to rattle the EU member states and gave rise to nationalism. Across the Atlantic, Donald Trump, a fervent nationalist presidential candidate, was also gaining popular support during the primaries.

In this context, the much-anticipated date of the referendum, 23 June 2016, was announced in February 2016. Around this time, the word 'Brexit' was well coined in the media and disseminated globally. The date had to be well ahead of the US presidential election to show the Brexit drama as a big 'matinee'. To attract the largest possible audience, two competing performances, namely soft and hard one, were promoted.

It can be reasonably argued that the British establishment did not have the foggiest idea what Europe they want to see, and that the primary objective of the referendum was to destabilise Brussels. To achieve this goal, the Leave votes would have to prevail; if voters chose to remain, the game would have been over there and then. That is why Cameron allowed even his cabinet members to run their own free individual campaigns to stir up Brexit debates nation-wide. In other words, he had NOT been determined to win the majority of 'remain' votes and to hold onto power.

Furthermore, the question in the referendum, a plain 'remain a member of the EU or leave the EU', was also designed to give a maximum impact to the Continent. Unsurprisingly arguments of 'what-if-remainers-were-to-win' was hardly heard, and that is still the case even now.

In my paper published on 1st of June 2016, I wrote 'The remain camp to prevail' but at the end of this section, I added '...the eventuality of Brexit remains a possibility. If Britain chooses to leave the EU, ... suddenly political uncertainty is likely to increase in Westminster, and Cameron may be forced to resign.'

I must conclude that this was his very intention from the outset.

The day after the referendum on 23 June 2016 resulted in 51.9% of votes being in favour of leaving the EU, Cameron announced he would resign without showing a hint of resentment, even though it was not even legally binding. He played his part and accomplished HIS objective.

Tactics of dithering

As Cameron's successor, the Conservatives elected Theresa May, a soft remainder, in July 2016. During the Tory leadership campaign, she stressed that there would be 'no attempts to remain inside the EU, with no second referendum or attempts to rejoin it by the backdoor'. On the day she was chosen as the leader, she said 'Brexit means Brexit'.

At this point, it was obvious to me that her 'Brexit-means-Brexit' did NOT mean Brexit.

About 8 months later, on 29 March 2017, May gave the EU an official notice under Article 50 of the Lisbon Treaty that the UK would leave the EU with or without an agreement when the 2-year negotiation period was exhausted.

Now we all know that it was extended until 12 April, and once again until 31 October, because Parliament did not give an approval to a deal May struck with the EU. She presented the same deal to the House of Commons three times and was defeated each time. She had to show Brussels how unpalatable the deal was, and how deeply divided the country.

How ridiculous her performance was! No company CEO will present a once-rejected business plan for the second time, not to mention a third time. Her actions, as a result, substantially weakened her authority and leadership.

Why did she demonstrate such acts of folly? Had she gone out of her mind? Absolutely not! She was merely playing her role to extend the deadline as far as possible. However, this tactic of dithering seriously eroded the confidence in the establishment, and led to a miserable defeat in the UK European Parliament election in May 2019.

Faced with a massive loss of votes, the Tories decided that Prime Minister May had passed her sell-by date, and elected the forceful pro-Brexit Boris Johnson as its leader in July. Had he emerged with any fresh pragmatic proposals? No! Has the political environment changed in Westminster, or has Brussels shown somewhat softer stance? All is unchanged.

What the new leading actor at No.10 has shown is his combative style which is in stark contrast to May's, but would also adopt essentially same tactics.

However, this game of 'remaining without a deal' has almost reached its limits.

'Why has the EU patiently been playing along this game with Britain? Primarily because the UK is the third largest net contributor to the EU budget after Germany and France. According to the outgoing EU Commission chief, Jean-Claude Juncker, the member across the Channel is a 'part-time European', but he has no incentive to kick it out of the Club as long as it presents no existential threat.

Worsening economy to be associated with Johnson

Although Brexit-induced uncertainties have not brought about massive unemployment, London property prices are going down, Sterling has weakened substantially against the dollar and Q2 GDP shrank 0.2%. Brexit presents only negative news on the economic front.

The CBI, the City, Whitehall and the political establishment are all yearning to end this gamble and to remain in the EU. It would be a surprise if Brussels is not aware of it.

It is difficult to predict how this farce will be played out Act by Act, but Johnson will behave absurdly aggressively and recklessly to allow himself to be labelled as a bully and to be linked to all the bad economic news, and will end up very much like former Prime Minister May.

Will another general election be called after 31 October? It will be a suicide for the political establishment, and therefore highly unlikely. While Farage is confidently predicting that it will take place

before Christmas, it is probably wishful thinking on his part.

This time Britain is likely to go for a second referendum and draw the curtain with a remainers' victory. Because it will be the last ammunition left to prolong this Brexit drama as long as possible.

It may well be that Boris Johnson calls for the referendum, accepts a defeat and a veteran MP, Kenneth Clark forms an interim government.

Given that Trump's re-election in 2020 is a near certainty, the political landscape in Westminster could be substantially transformed in five years' time.

Should this be the case, Sterling will recover some lost ground but will not get back as high as the pre-referendum of \$1.50.

Who will be the winner? No one! In the end, Brexit will have significantly undermined the political capital of the establishment, domestically as well as internationally. It will not lead to an armed conflict in Europe at least. This is a salvation.

London, 18 September 2019

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