

# Britain's uncertain Brexit march

By Dr. Marko Attila Hoare

## Introduction

The popular vote of the UK on 23 June 2016 to leave the EU has been politically an earthquake for the first and a shock to the second. Retrospectively, the outcome was likely, given the structural factors both within Britain and between Britain and the EU. Yet these same factors have obstructed a clear British postreferendum strategy for secession: Britain does not know what kind of Brexit it wants, or whether it wants one at all. This briefing will examine the causes of the Brexit revolution and the reasons for its uncertain execution, before considering the likely outcome.

## **Roots of Brexit**

Britain's relationship to Europe is traditionally ambiguous. Britain's identity - of a Protestant island-state formed in 1707 from the Anglo-Scottish union - was cemented during the eighteenth and nineteenth centuries in wars against the Catholic powers of continental Europe. It was successively reinforced by Napoleon's anti-British Continental System; by nineteenth-century imperial 'splendid isolation'; and by Britain's 'Finest Hour' in 1940, standing alone against Nazi-dominated Europe. But to maintain the European balance of power, Britain had to be closely involved in Europe's politics. When Britain became too detached from Europe, as during the American Revolution and the Boer War, it found itself in peril.

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Britain, in sharp imperial decline after World War II, sought to promote both its special relationship with the US and its European ties. But France twice vetoed British EEC membership, in 1963 and 1967; the 'non' from the hereditary enemy ruffled British feathers. Britain eventually joined in 1973, but the union remained centered on the Franco-German axis. EEC membership was principally championed by centrist, consensus politicians, already in decline when Britain joined. The Labour Party moved to the left, fighting the 1983 election on a pledge to leave the EEC, prompting some centrist Labour MPs to secede and form the Social Democratic Party - the split helped keep the Conservatives (Tories) in government until 1997. But the Tories, too, moved away from the center under Margaret Thatcher, who prioritized ties with the US - in the 1980s led by Ronald Reagan, whose New Right economic policies were closer to hers than those of her EEC partners.

Thatcher signed the Single European Act in 1986 but became concerned at its implications; her

radical free-market, small-state vision clashed with the more regulated economic model that Brussels favored. Following the 1989 Eastern European revolutions, she supported rapid entry to the union of the new democracies to counteract EEC centralization. Her growing Euroscepticism split her party; more moderate figures remained committed to the EEC while the hard right was increasingly opposed.

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The rift helped topple Thatcher in 1990, and bedeviled her successor, John Major. He took Britain into the Exchange Rate Mechanism later that year and signed the Maastricht Treaty in February 1992, establishing the EU and increasing the European Commission's powers. This prompted a Tory backbench rebellion - the Thatcher-backed 'Maastricht Rebels', who labelled the ERM the 'Eternal Recession Mechanism'. The UK had to leave the ERM in September 1992, with a collapse in sterling's value ('Black Wednesday'). Maastricht also prompted the foundation of two new parties campaigning for Britain's EU exit, one of which became the UK Independence Party (UKIP) in 1993. Thus, a pro-EU Conservative Party was threatened with outflanking from the right.

#### **Drivers of Brexit**

The 1997 electoral landslide of Tony Blair's New Labour catalyzed the Brexiteers' rise. Blair's centrist-europhile politics provoked a tribalist right-wing reaction. When eight Central European and Baltic states joined the EU in 2004, Britain, unlike other EU governments, eschewed a migration-free transition period and permitted the immediate free entry of workers from them. Overseas net migration to the UK jumped from 185,000 in 2003 to the unprecedented figure of 268,000 in 2004, after which it never fell below 2004 levels, except in 2012, and peaked in 2015 at 332,000. Polish guest workers became particular objects of anti-immigration obsession: by 2016 they numbered 911,000, making them the UK's largest foreign-born community. Thus, the Brexit movement was powered by the leadership's right-wing, small-state opposition to the EU's economic regulation; the rank-andfile's hostility to immigration; and a resurrected anti-continental nationalism that united them.

Brexit movement was powered by the leadership's right-wing, small-state opposition to the EU's economic regulation; the rankand-file's hostility to immigration; and a resurrected anti-continental nationalism. The nationalism in question was principally English, not British; the Blair government had established assemblies for Scotland, Wales and Northern Ireland in 1998-99. England, with 86% of the UK's population, remained without one. English nationalist reaction was catalyzed by the cosmopolitan, left-liberal worldview of the 'metropolitan elite' that preferred a multicultural to an English identity and seemed ready to celebrate every culture except that of the indigenous White English majority. The legalization of abortion in 1967 and the official promotion of later motherhood had caused the median age of the population to rise from 34.2 years in 1970 to 40.2 in 2015, increasing the electoral weight of more conservative older people with nostalgic views of the pre-EEC era, at the expense of younger people with more stake in the opportunities offered by free movement within the EU.

Finally, although Britain prospered economically under Labour until the 2007-2008 financial crisis, the prosperity was unevenly spread. Labour deregulated the financial sector further than the Conservatives had; the Bank of England was freed from government control immediately following the 1997 victory. Labour kept the Thatcherite economics favoring the financial and service sectors over traditional manufacture, concentrating economic growth in London and the South East, with much of the North, Midlands and Wales neglected. Many 'left-

behinds' concluded that economic prosperity for Britain as a whole did not necessarily mean prosperity for their own communities. That leaving the EU would worsen the UK's economy was not therefore decisive for them, set against questions of identity, immigration and antiestablishment anger.

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The ambiguous general election of 2010 saw David Cameron's Conservatives emerge as the largest parliamentary party, but without an overall majority, leading them into coalition with the Liberal Democrats (LibDems). The Tory right resented the constraints this partnership placed on their agenda, causing the coalition steadily to fracture. Cameron's economic austerity caused much pain among the population, while the socially liberal, modernizing, Blairite image he cultivated - he cancelled Heathrow Airport expansion for green reasons and legalized gay marriage - made him the butt of right-wing anger, as Blair and Gordon Brown had been. Under Nigel Farage, UKIP rose as a populist alternative; some viewed it as less right-wing than the pro-austerity Tories. UKIP, with its

nationalist message centering on a referendum on continued EU membership, overtook the LibDems to become the third-most-popular party in the 2015 general election, with 13% of votes.

Cameron sought to quiet his fractious MPs and deflect the UKIP challenge by promising in January 2013 that, if his party won the next general election, his government would hold a referendum on continued EU membership. He hoped this would stop the pro-Brexit Tories 'banging on about Europe', but miscalculated Leave's appeal. After the Tories won the May 2015 election outright, by December the poll of polls put Remain ahead of Leave by only 51-49%. Polls suggested voters wanted to ensure that the UK would not be disadvantaged by measures taken by the Eurozone states; that migrants from the EU would not receive inwork benefits; and that Britain's sovereignty would be safeguarded vis-a-vis Brussels. Cameron tried to renegotiate with Brussels the terms of Britain's EU membership, but his meagre results, announced in February 2016, allowed Brexiteers to claim no meaningful renegotiation was possible without Brexit, particularly regarding immigration.

#### Why did Leave win?

Having won the referendum on Scottish independence in 2014 and an unexpected

absolute majority in the 2015 general election, Cameron approached the 2016 EU referendum overconfidently. His campaign focusing on Brexit's negative economic consequences -'Project Fear' - failed to excite voters. He failed to articulate a strong, coherent case for EU membership. By contrast, the Leave campaign, directed by Dominic Cummings and Matthew Elliot, effectively attracted hitherto non-voters: 'Take back control' was a slogan unmatched by Remain; the claim that the money spent on EU dues could be better spent on the National Health Service was insincere but seemed commonsensical to many. The ambitious former London mayor Boris Johnson lacked genuine commitment to Brexit but joined its bandwagon to further his career; his charisma and centrist appeal may have helped sway many voters. The vote on 23 June 2016 posed the single question 'Should the United Kingdom remain a member of the European Union or leave the European Union'? Leave won narrowly: 51.89% to 48.11%.

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Crucial support to Leave may have come from

Putin's Russia, which consistently supported populist politicians and groups in the West that undermine Euro-Atlantic institutions. One of the Leave campaign's founders, Arron Banks, donated £8.4 million to it - the largest political donation in British history. Foreign funding for political campaigns is illegal under the British law, and a parliamentary enquiry subsequently expressed doubt that Banks's money had come from UK sources. Banks met Russian officials eleven times in the run-up to the campaign and was offered lucrative business deals in Russia. Other wealthy businessmen with large Russian interests, like Jim Mellon, also funded Leave. Banks also solicited support from Trump's former chief strategist Steve Bannon to raise money for Leave in the US, leading to Banks being criminally investigated. The consulting firm Cambridge Analytica, headed by Bannon, targeted voters on behalf of Leave; the firm was forced to close in 2018 after being exposed for having illegally harvested personal data from people's Facebook profiles and used them for political purposes.

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The vote for Brexit represented largely an antiestablishment protest vote. Voters from areas with lower incomes or higher unemployment, or where people had been traditionally employed in manufacturing or had fewer qualifications, or where there was a larger influx of East European immigrants combined with large numbers of native unskilled workers, were more likely to vote Leave. People from poorer, working-class or less educated backgrounds were more likely to vote Leave than people from more prosperous or educated backgrounds. Remain won in Scotland, reflecting its wish to counterbalance English hegemony, and Northern Ireland, with close economic and emotional ties to the Republic of Ireland, but lost in England and, more surprisingly, Wales. Within England, the Remain vote was strongest in London and some other cities, including Leeds, Newcastle, Manchester, Liverpool and Bristol, though not Birmingham, England's second city. In some of these cases, such as Leeds and Birmingham, the vote was split almost 50-50.

# Brexit means Brexit. But what does Brexit mean?

The Leave referendum victory left unresolved what Brexit actually meant: a soft Brexit, leaving Britain's relationship with the EU largely unchanged despite a formal exit; a hard Brexit, including an exit from the single market and customs union, or something in-between? Cameron had made no provision for a possible defeat and resigned following the vote, leaving the imbroglio for his successor, Theresa May, to untangle. Her succession had been due to fortuitous divisions between her rivals, and she needed to assert her authority, as a former Remainer, in a party whose MPs were bitterly divided but whose base was predominantly pro-Leave. Under pressure from the Tory Brexiteers, she invoked Article 50 of the Treaty on European Union on 29 March 2017, requiring the UK to leave the EU at 23:00 GMT on 29 March 2019 - despite having no deal with the EU in place to replace membership, nor any strategy to achieve one. The Brexit ultras, meanwhile, had no ready answer to the problems of the Irish border or the status of Gibraltar, which they had largely failed to foresee, but were ready to cry treachery at any deal the government could negotiate.

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May's position was further weakened when, in response to favorable opinion polls, she called a snap general election on 8 June 2017,

which unexpectedly lost the Tories their overall parliamentary majority. They were now dependent for a majority on MPs from Northern Ireland's Democratic Unionist Party (DUP), which supported Brexit but imposed its own conditions. It wanted to avoid a hard border between the two parts of Ireland, but also an indefinite 'Irish backstop' that would prevent a hard border at the price of regulatory differences between Northern Ireland and Great Britain, which the DUP viewed as threatening the union. Meanwhile, Brussels had no incentive to make major concessions to the UK that would violate its own principles and reward secessionism. May was stuck between a bitterly divided electorate, parliament and Tory party and an unbending, unsympathetic EU.

The withdrawal agreement that May negotiated with Brussels by November 2018 envisioned a transition period lasting until 31 December 2020, during which Britain would have to abide by EU rules while losing its membership in the decision-making bodies, while in the event of no final deal by the end of this period, the Irish backstop would be triggered and remain indefinitely, with EU consent required for Britain to leave it. These terms seemed to Brexit ultras a betrayal and to Remainers incomparably worse than continued EU membership, so the two opposing camps teamed up to defeat them. May's deal was smashed in parliament in January 2019 by 432 votes to 202, with almost all Opposition MPs, 118 out of 314 Tory MPs and all DUP MPs combining to defeat it. On 12 March, a slightly modified deal was again defeated, by 391 to 242.

Both May and Brexit itself were saved by the lack of Labour opposition. Labour leader Jeremy Corbyn, a closet Brexiteer, has restrained his overwhelmingly pro-Remain party from attempting to overturn Brexit altogether, obstructing calls for a second referendum though this is also conditioned by the Labour voting base's own divisions over Brexit. Meanwhile, May retained the loyalty of the Tory moderates. She survived no-confidence votes brought by the ultras in her party and by Labour in parliament. The threat by moderate Tory ministers to resign en masse in the event of a no-deal Brexit prevented May embracing it. Consequently, parliament on 14 March voted by 412-202 to seek a deadline extension beyond 29 March.

The EU on 21 March granted Britain an extension to withdrawal until 12 April. After May's deal was rejected by parliament for the third time on 29 May by 286-344, the EU on 10 April extended Britain's withdrawal deadline to 31 October. May belatedly attempted to negotiate with Corbyn a Brexit that would be

acceptable to both main parties, but this failed given Corbyn's lack of interest in any solution that would rescue the Tory government from its hole.

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The deadline extension compelled Britain to participate in the European elections on 23 May, effectively won by parties with a clear position either for or against Brexit. Farage had broken with UKIP over its embrace of extremeright elements and founded a new Brexit Party, which came first with 30.5% of the vote. This was followed by the pro-Remain LibDems with 19.6%. Labour and the Tories trailed with 13.6% and 8.8%; the latter came in behind the pro-Remain Greens with 11.8%. Following this debacle, May announced she would step down as prime minister in July. Labour's desertion by the pro-Remain electorate prompted a change of strategy; Corbyn now came out in favor of a referendum on whatever the final Brexit deal would be. But with the contest for the Tory succession dominated by hard Brexiteers, with Johnson the clear favorite, Britain will probably have a government committed to withdrawal by 31 October - deal or no deal.

### Conclusion

May's successor as prime minister and Tory leader will need to be a hard Brexiteer to appease the party and retain the allegiance of Leave voters. The EU is unlikely to offer Britain further concessions; its best offer has already been rejected by the hard Brexiteers and by parliament. A no-deal Brexit could potentially be blocked by a grand alliance of the anti-Brexit parties, Labour and the Tory Remainers, but it is questionable whether the will for this exists. Thus, the likely outcome is that Brexit occurs by 31 October without a deal.

Britain, once famed for its stability and pragmatism, has become a source of uncertainty in a European project that is itself faltering. Britain is likely to suffer a serious economic downturn in the short term if it leaves with no deal; its influence within the EU and in the wider world will decline. In losing a member that championed expansion and resisted excessive integration, the EU will itself become less diverse and outward-looking. Yet ironically, Britain's Brexit travails have deterred other

member states from seeking to leave too, helping sustain the maligned union.

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