Britain, Brexit and an uncertain future

The View from Europe
David Jessop

A little over a week ago, the British people went to the polls. Although the snap general election was supposed to strengthen the government’s negotiating hand in leaving the European Union, the outcome had the opposite effect, casting uncertainty over the nature of Brexit, and with it the country’s future political and economic stability.

It was an election that in its outcome signalled that Britain has become two nations. One is committed, as it were, to ‘make Britain great again’ and to restoring an imagined past. The other, led by the young, the better educated, those living in liberal cosmopolitan cities, and in Scotland, saw a very different future, with new domestic and international priorities.

In seeking a much bigger parliamentary majority, Britain’s Prime Minister, Theresa May, sought the vote of those who were ‘just about managing’. However, she provided few specifics during a remote, presidential-style campaign that many political commentators described as the worst in the UK in decades.

In contrast, the country’s Labour Party encouraged the young, often voting for the first time, those in the public sector, the marginalised, and those who wanted a softer form of Brexit, to vote for a more optimistic and less material view of society. They proposed greater social equality, a better-funded social welfare system, and an end to huge student debts at a time of rapidly increasing rents and unaffordable housing.

Labour caught the popular mood through social media and music, wrapped around an unlikely socialist leader similar in many respects to Bernie Sanders, who ran against Hillary Clinton for the Democratic Party presidential nomination last year. The Conservative Party, meanwhile, remained brittle, often aloof, and seemed to demonstrate little, if any, understanding of how to relate to young people.

In the end, Mrs May lost her gamble, ending up without a parliamentary majority, in a hung parliament, with the prospect of significant internal divisions within her own party.

None of this is intended to be partisan, but to suggest that the region take note, if it has not already, that Britain is changing profoundly, that traditional ideological boundaries have become fluid, and that the electorate has become volatile and unpredictable.

Strikingly, since the election, Prime Minister May has seemed unwilling to accept the message of a divided nation, appearing intent on proceeding to govern as planned with the support of a socially conservative party from Northern Ireland. This is likely to exacerbate divisions over Brexit, austerity and the Union.

Two events in the coming weeks – the opening of Brexit negotiations with the EU on June 19, and the delayed Queen’s speech on June 21 which will set out the Government’s priorities – will demonstrate how Mrs May intends to proceed. They will indicate whether the moderating voices of Conservative elder statesmen and some Cabinet Ministers, who want a more coherent and realistic strategy on Brexit, have been taken notice of.

If, as Mrs May and Downing Street suggest, it remains her intention to signal on June 19 that Britain will leave the EU and the single market and end free movement, there is a substantial body of
opinion in political circles and the civil service that believes that when it comes to presenting
detailed bills to Parliament for Brexit implementation, she may find it hard to achieve a majority.

In response, and to preserve stability and avoid a rapid collapse in negotiations, a view is emerging
that government should now seek a cross-party consensus on alternative approaches to leaving the EU.

In this context, one suggestion that has gained traction since the election is that the UK might leave
the EU but try to remain a member of its customs union, while negotiating new arrangements on
free movement and continuing to make a financial contribution.

Such an approach, its proponents argue, would have the effect of ensuring that the UK would have
continuing frictionless trade access to the EU, retain jobs, and keep in place existing trade
agreements such as the EU-CARIFORUM EPA, while enabling the UK to accede to all future EU trade
agreements. It would not allow the UK to negotiate new third country trade in goods arrangements,
although Britain could in theory negotiate new services agreements. Whether this offers a long-term
solution or might ever be acceptable to the EU is, however, far from clear.

All of this is happening as the EU27 is changing. The eurozone economy is recovering rapidly, and is
now accelerating at a faster pace than that of either the UK or the US.

France has a new young President, Emmanuel Macron, who is likely to upend French politics this
weekend if ‘En Marche!’, his one year old political party, takes the majority of seats in France’s
National Assembly.

Macron has already demonstrated that he will exercise his authority in a style intended to restore
France’s self-confidence, optimism, and place in the world. He appears willing to act as a buttress
against Donald Trump, and to reshape the future of the EU27. With Germany’s principled
Chancellor, Angela Merkel, who is likely to be returned in Federal elections in November, he is
expected to ensure that the EU, despite its many divisions, remains a continuing force in the world.

As for the UK, if it cannot rapidly create a viable economic construct based on a new national
consensus on Brexit, the likelihood is that it will be economically diminished for a decade or more.
The country risks becoming an estranged relative of the EU, increasingly at odds with the US
President over all but security co-operation, and embroiled in endless trade negotiations with other
nations or national groups, including the Commonwealth, that expect such relationships to be
reciprocal and mutually beneficial.

From a Caribbean perspective, this means that it will be increasingly difficult to forecast reliably
what will happen in its relationship with Britain.

While the UK is not going to walk away from the region, Caribbean concerns, other than climate
change and security, look set to become even less of a priority, as all parts of the British
establishment become totally engrossed in Brexit, its implications, and trying to stabilise the
economy; knowing that at any moment another election might take place.

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