



Brexit and the EU: Ripple Effects of an International Divorce

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Agenda

- Introduction
- The History of Europe's most difficult member
- The Brexit Referendum
- What Happens Now?
- What Happens Next?
- Questions

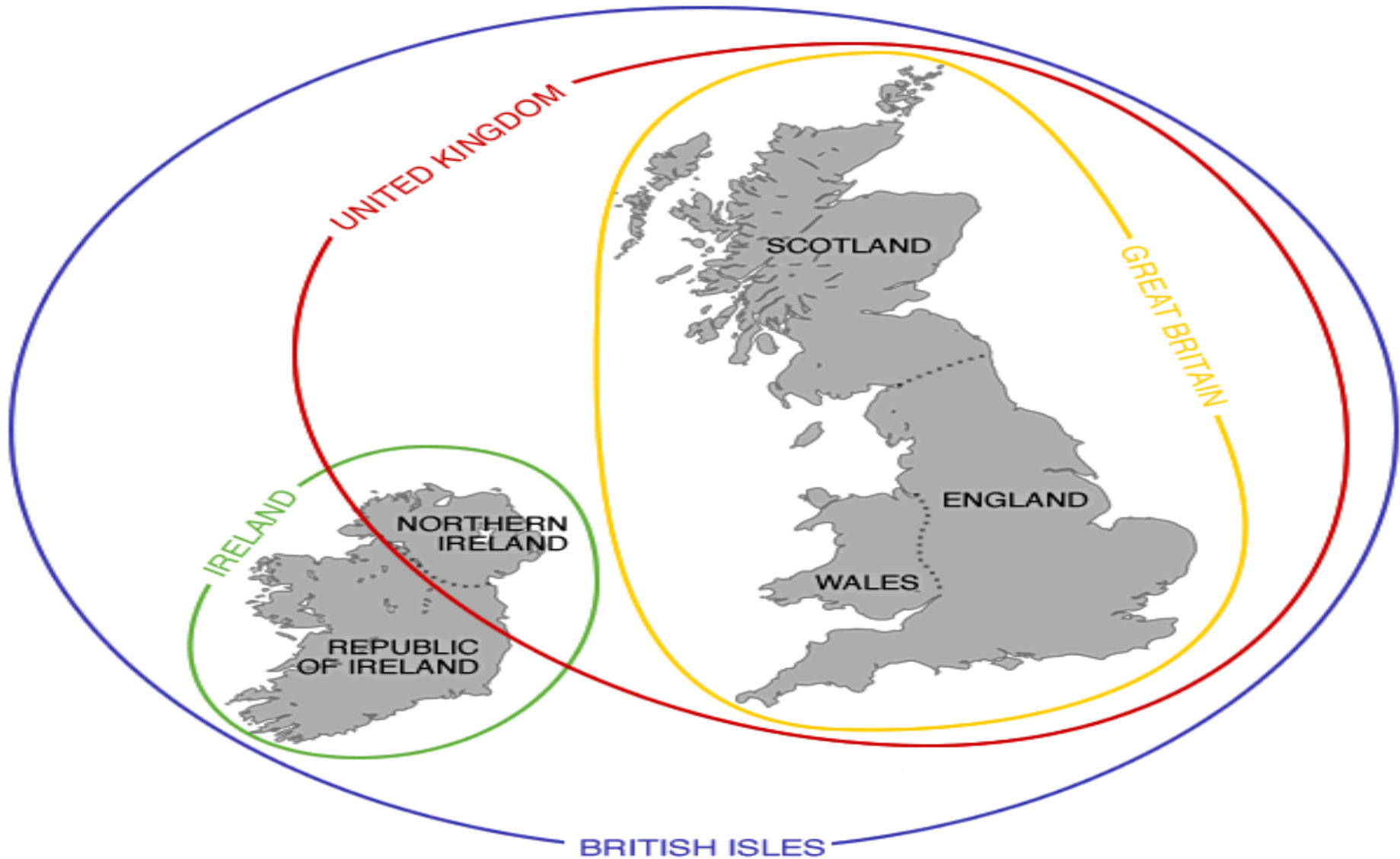
Introduction

- 23 June, 2016 the United Kingdom voted in a referendum on its future membership in the European Union
- Results: Leave 51.9% Remain 48.1%
- Article 50 triggered 29 March 2017
- 2 year window to negotiate an exit
- UK Agreed with EU but could not ratify
- Extension until Oct. 31, 2019 to avoid “Hard Brexit”

A Note on Terminology

- The name Brexit is problematic.
- Bigger than Britain
- England vs Britain vs United Kingdom
- Northern Ireland impacted by Brexit but not British (UKExit)
- Northern Ireland has become the main issue (Backstop- more later)
- Same for Gibraltar

A Confusing Map to Try to Help



My View

- The United Kingdom has made a mistake
- The EU is difficult, overly-bureaucratic and impacts sovereignty
- It is, however, the largest trading organization in the world
- Better to be in and influence than out
- The UK has risked its economic and political future for very little reward
- Has been worse for the UK than most predicted

A Troubled History with Europe

- The UK has always been half in and half out of Europe
- See's itself as a link between the continent and English North America
- Since joining the EU has been its most difficult and least enthusiastic member

History

- Not an original member of what would become the EU in 1950
- France, West Germany, Italy and BENELUX
- First to apply for membership(1961)
- France vetoes (1963)
- Applies 2nd time (1967)
- France vetoes (1967)

History (cont.)

- Accepted on 3rd attempt in 1973 (de Gaulle had died). Ireland and Denmark also joined
- 1st referendum to leave in 1975 (66% Remain, 34% stay)
- 1985- Schengen Agreement- UK says No
- 1992- Maastricht Treaty- Ever Closer Union, sets stage for Euro

A Troubled History



- UK says no to Euro
- Euroscepticism starts to grow
- 2004- EU expands by 10 members including 8 from Central/Eastern Europe
- UK receives over a million migrants
- 2009- Eurozone crisis- Greek bailout
- Growth on anti-immigrant, anti-EU political parties- BNP then UKIP

Lead Up

- By 2013 PM Cameron was calling for a referendum
- Secure right-wing of his party
- 2015- wins majority, demands concessions from the EU
- Mostly around rights of EU citizens in UK
- “Emergency Brake”
- 2016- gets concessions, calls referendum

The Campaign

- Very unusual campaign
- Conservatives and Labour split
- UKIP- unofficial leaders of Leave
- Misinformation i.e. Savings for Healthcare
- Murder of Jo Cox
- “Rejection of the Experts”

Who Voted What?

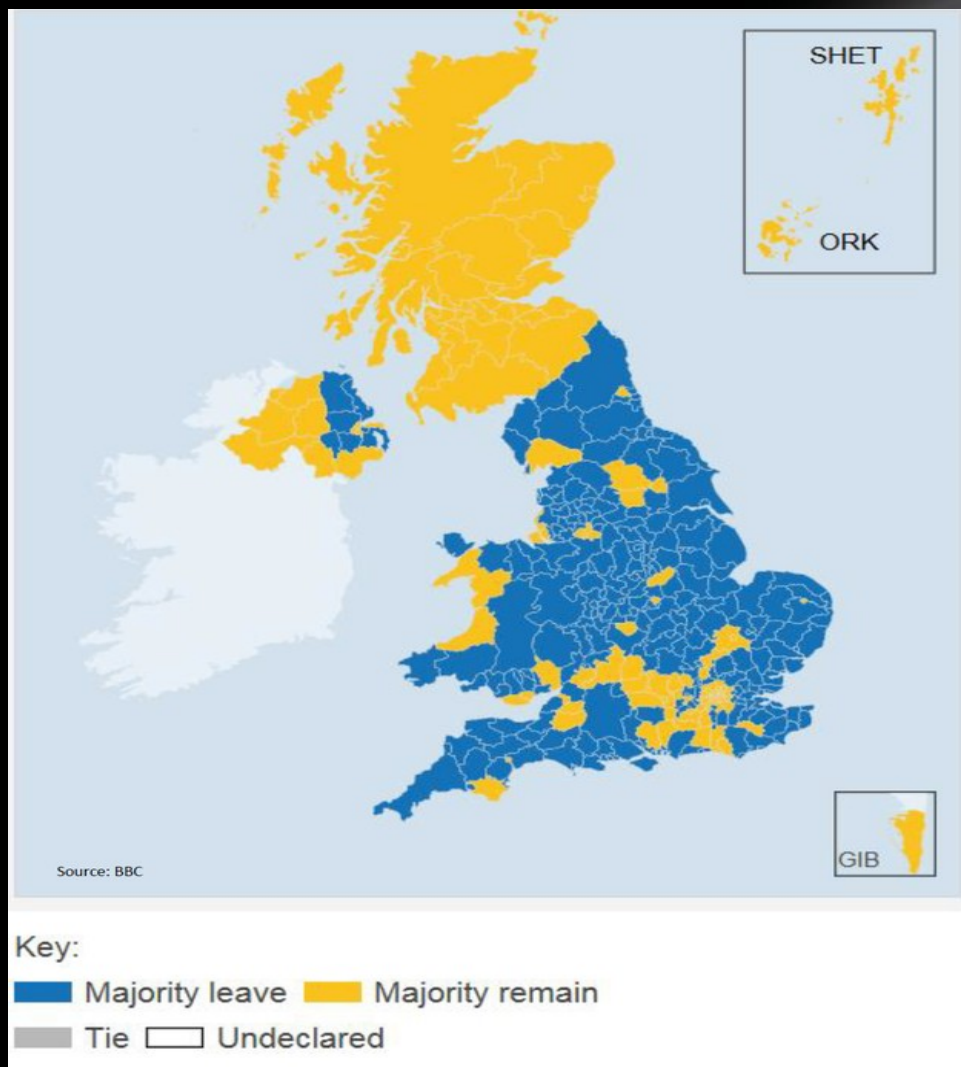


your name

Who Voted What?

- Very clear divisions in the results of the referendum
- Scotland- 62% Remain 38% Leave
- England- 53.4% Leave 46.6% Remain
- Wales- 52.5% Leave 47.5% Remain
(Cameron's unpopularity?)
- N. Ireland- 55.8% Remain 44.2% Leave
(Sectarian divide)

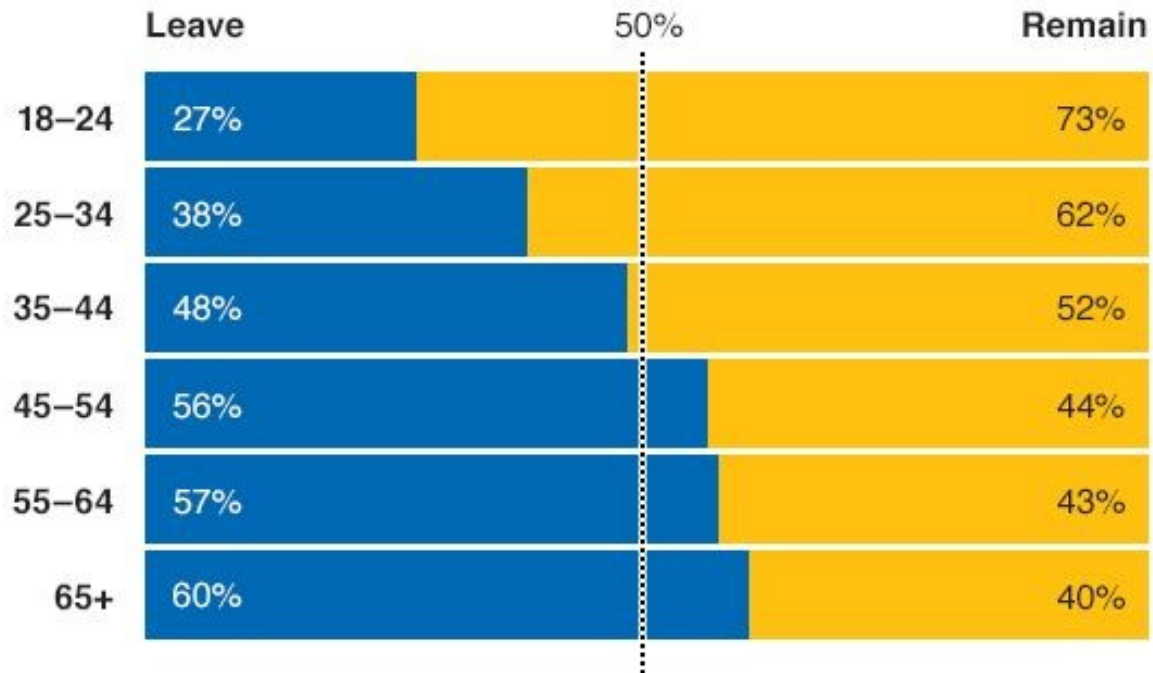
The Vote



your name

Results by Age Group

How different age groups voted



Source: Lord Ashcroft Polls

BBC

The “Leave” Voter



- More likely in non-urban Wales or England
- Older
- Less Educated
- More likely to live in area with influx of EU migrants (Boston 76% Leave with 460% increase in migration)

The “Remain” Voter

- Scottish or Catholic in Northern Ireland
- London and Cardiff
- Younger and more educated
- Higher income
- Less likely to vote

The Negotiations

- Once Article 50 was triggered- had to come to a deal by March 29, 2019
- UK-EU agreed on two parts:
- 1) Withdrawal Agreement- how to leave, how much money is owed
- 2) Political Declaration- future relationship- Trade and Free Movement
- This is where the problem lies with Parliament

What is the Northern Ireland Backstop?

- Open border a condition of Good Friday Accord
- Can't have an open border between EU and UK if they operate under different trade rules
- Need to keep NI (or all UK) under EU rules until solution is found
- UK will not move on this issue

Current Reality

- Missed two deadlines- now Oct. 31
- No agreement in Cons or Lab party
- May- resigned after lost votes
- Johnson- has lost every vote held
- Prorogument and possible election?
- Supreme Court hearing now
- Rights of EU and UK citizens abroad
- Scotland- independence?

Would a Hard Brexit Be So Bad?

- Yes. Very much so.
- Devastate British Trade- WTO Rules
- Implementation of Tariffs
- Ability to get medicine and food
- Inability to move goods
- Worst Case- 8% drop in GDP
- Trillions of dollars lost (Finance and Manufacturing)

Operation Yellowhammer

- UK gov'ts planning for Hard Brexit
- Lowest income earners affected most
- Labour shortages- i.e. Health
- Troop allocation if needed
- Water supply. Electrical Grid
- “Three month meltdown”

Moving Forward Apart



WHO ARE WE GOING TO BLAME FOR OUR PROBLEMS NOW?

CHAPPATTE
International
New York Times

For the UK...

- Will continue to need immigration
- Will need to trade with somebody
- Will have to address the Scottish issue
- N. Ireland? Return of the Troubles?
- What if they made a mistake?
- Using 19th C. thinking in the 21st C.?
- Can the political system survive?
- How do you bring everyone back together?

Issues for the EU

- Are there opportunities for more integration without UK?
- Military?
- Citizenship rights?
- Can it use this to improve public opinion?
- Can they hang together in negotiations?
- Does the EU still make sense?
- Will others follow suit? Euroskepticism
- Economic consequences here as well

What's Next?

- Deal approved in Parliament?
- New softer Brexit deal?
- Another extension to January (would Johnson step down first)?
- New Elections?
- Crash out Hard Brexit on Oct. 31?
- Withdraw Article 50?

Questions?

Thank you.

your name