

THE POLITICS AND ECONOMICS OF BREXIT IN THE EUROPEAN UNION

EKE, CORNELIUS ANYACHOKEYA

AKUNNE, PHILOMENA ELEJE

OBASI, H. CHINONYE

Department of Public Administration,

Akanu Ibiam Federal Polytechnic, Unwana, Afikpo, Ebonyi State, Nigeria

ekecornelius12@yahoo.com; philomenaokoisu@gmail.com; chinonyeobasi516@yahoo.com

08061607870; 08033457712

Abstract

The paper discussed the politics and economics of Brexit in the European Union (EU). The objective of the paper is to investigate the circumstances that led to Britain's dissatisfaction and eventual withdrawal from the European Union, one of its foundation members since 1973. Attempt was also made to find out the nature of post Brexit relations that are the relationships between the (EU) and Britain, politically and economically. Data for the study was sourced through the documentary method of secondary data sources, and further analysed through content analysis. The findings revealed an accumulation of grudge arising from the following sentiments. The French president, Charles De Gaulle's Veto of UK's membership in 1963 and 1965 and its impact on the political image of the United Kingdom, Policy misfits, especially that of European budgetary system and common agricultural market and particularly the issue of member states developing policies at odds with the (UK) governments preferences resulting in the need for various policy opt-outs. The study concluded that the event of 31 December, 2020 was the climax of grievances that accumulated over time. The study recommended that any union of equal states should treat members equally, with respect to political and economic dignity and international image.

Keywords

Brexit, European Union, Political Image, Grievances, Post-Brexit

INTRODUCTION

Sequel to the Maastricht treaty of 1973, the European Union (EU) was born by the coming together of three hitherto independent organizations. The European Coal and Steel Corporation (ECSC), the European Atomic Energy Commission (EAEC) and the European Economic Community, which was renamed the (EC) European community. Prior to this date, the treaty of Rome had in 1957, conceived a regional organization that was aimed at bringing about economic integration among its member states. So, upon formation of the (EU) in 1993, the (EEC) European Economic Community was incorporated into the EU and renamed the European Community (EC). In 2009, the EC formally ceased to exist and its institutions were absorbed by the EU. So, this made the (EU) the formal successor institution to the community.

However, there are indications that even the initial entry of UK in the EU was turbulent "Decades before Europe-bashing became standard political currency, Britain asked three times to be let into what is now the European Union" (Brexit Wikipedia), this view is corroborated by Abigail Fryman Rouch as follows" Anyone familiar with the "take back control rhetoric around Britain leaving the EU, Could infer that the country had been dragged into the European Economic Community (EEC) against its will (amp.dw.com).

Some politicking was involved. The UK government refused to engage with the 1950 Schuman Declaration for integration of the coal and steel industries. In November 1955, it withdrew from the committee preparing the eventual European Economic Community. Britain had considered itself a world power and Europe only one of its spheres of influence. Then Prime Minister Harold Macmillan wanted to undertake a post-suez crisis face saving in the form of policy shift by applying for membership of the European Community. However this move failed in cabinet due to ministerial divisions. Nevertheless, on the representation to cabinet again in April 1961, it was a success.

This fragile victory was only to be thwarted by the then French President Charles De Gaulle even twice, in 1963 and 1965. De Gaulle had feared the possible domineering influence of Britain in the EU. He was only trying to ignite a new trend that was to be termed Euroscepticism, because as the ascension negotiations were underway in Brussels, the labour party leader, Hugh Gaitskell, declared his opposition at the October 1962 party conference. The “Membership would mean the end of Britain as an independent state and the end of a thousand years of British history (Young 1998). By this declared opinion, Gaitskell was dubbed by young, the first British Euro-sceptic.

The turbulence that characterized the British membership of the EU manifested in these opinions which peter out as the remote precursor to the Brexit. Edward Heat, in the labour party’s manifesto for the October 1974 general election had promised that the people would decide through election - the ballot box, whether to remain in the EU or not.

LITERATURE REVIEW

In their work, “Understanding the Economic Impact of Brexit, Germa Tetlow and Stojanovic Alex, opined that economic considerations are one of the questions that weighed on MPS minds as they scrutinized and voted on the Government’s EU withdrawal agreement. They observed further that Brexit will lead to a significant change in the UK’s relationship with other European Countries and could re-open the opportunity to renegotiate trade deals directly with non-EU countries.

Armstrong (2018), Asks to what extent the UK regulatory policy will align with or diverge from EU policy after Brexit, especially in the medium and long term? He teases out three modes of governance, hierarchy, markets; networks/community-and argues that the dynamics of regulatory divergence/alignment between the UK and the EU will be a function of these modes. It also considers the mediating influence of the global regulatory context in which both the UK and the EU are situated.

On their part, Dennison and Geddes (2018) addresses the questions of how the debate on immigration influenced Brexit and what are the likely parameters for a poor-Brexit regime covering EU citizens and migrants from non-EU member states. They provide a post-functionalist account of migration governance in the context of Brexit, discussing three major Components: firstly, the politicization of immigration marked by increased issue salience; second, the importance of public opinion preferences rather than those of concentrated interest such as the business community; and third, identity related concerns. They concluded that the referendum exposed the debate about immigration to a wider public scrutiny and by doing so, raised more profound questions about the future shape of the British economy and political model necessary to sustain it.

Schimelfennig (2018) examined the process of differentiated disintegration, meaning the selective reduction of a member state’s level of scope of integration, triggered by Brexit. The paper argues that a post functionalist explanation of differentiated integration also explains the dynamics of disintegration. Krotz and Schild (2018) explored the implications of Brexit for the Franco- German alliance in the EU, and on the two states’ relative influence in this bilateral relationship and in the EU

at large. In doing so, they also assess Brexits implications for the EU's future trajectory and further outlining three basic future scenarios for the EU: German hegemony project; the disintegration of the European project; or a rejuvenated Franco-German relationship as the EU's engine.

Gamble (2018) explored the pathologies of British politics in the Brexit era. "Taking back control" and unraveling over 40 years of Europeanization is more easily said than delivered. However, what is clear is that the EU's referendum has brought about a rise in populism, some re-alignment of political parties, destabilized the territorial integrity of the UK and raised questions about the future of its foreign policy. Depending on the terms of Brexit, it may bring about significant economic change too. The referendum vote is therefore having a substantial impact on British politics and political economy.

Taggart and Szezerbiak (2018) examined the link between the recent EU crisis and the development of party-based Euroscepticism across Europe. They identify four main frames through which the EU is contested at the domestic level: economic factors, immigration, democracy/sovereignty and national factors. Their main findings suggest that the sovereign debt crisis in the euro area had powerful effect in the party systems of those countries most affected by the bailout packages in the euro area periphery and the migration crisis had a strong effect on party politics in the post-communist states of central Europe. By contrast, Brexit has had a very limited impact on national party politics in the EU so far.

Howarth and Quaglia (2018) analyse the policy developments concerning the Single Market in finance in the context of Brexit. Theoretically, they engage with two bodies of political economy work that make contrasting predictions concerning the Brexit negotiations on finance: the 'battle' amongst member state systems and the transnational financial networks literatures. Empirically, they find limited evidence of the formation of cross-national alliances in favour of the UK retaining broad access to the Single Market in financial services. By contrast, the main financial centers in the EU and their national authorities competed to lure financial business away from the United Kingdom. For three reasons the chances of a special deal for the City are slim.

METHODOLOGY

Data for the study is sourced through the documentary method of secondary data sources and further analyzed through content analysis.

FINDINGS AND DISCUSSIONS

Our attempt from the forgoing has been to show that Brexit as it turned out to be was not in any case a sudden event or happening. It came as an accumulated resentment based on the dissatisfaction of Britain while in the EU which also originated from the EU itself as a body.

BREXITY WHAT IT IS

The word "Brexit" is an amalgam of the two words, Britain and Exit. It is an event which either describes or explains the withdrawal or exit of Britain from the membership of the European Union. The European Union (EU) has been and still remains the major Regional Integration of the independent Countries of Europe, excepting the eventual withdrawal of Britain on the 31 day of December 2020. Membership of the EU meant the oppression of a European common market or customs union which now distastes Britain.

POLITICS OF BREXIT (ARGUMENTS) WITHIN THE UNITED KINGDOM PARLIAMENT AND IN THE EU PARLIAMENT

There has been a considerable argument within the UK parliament some times in favour and at other times against. There has also been previous referenda which formed continued membership or can be found in the European community membership referendum organized by prime minister Harold Wilson in 1975 permitted under the UK referendum act of 1975. Yes votes were 17,378,581, translating to 67.23% to remain in the EU. Number of votes were 8,470,073, translating to 32.73% (www.government.nl).

Also earlier in 1946, Winston Churchill declared that “we must build a kind of United States of Europe, in this way only will hundreds of millions of people be able to regain the simple joys and hopes which make life worth living”. (Brexi Wikipedia).

On another front, having declined to join the EEC at its inception in 1957, momentum to join began to grow among Britons, environs of its economic growth persuaded by the desire to prevent another war and wanting to find a post-empire role internationally. Prime Minister Harold Macmillan warned the Eurosceptics especially after the humiliation of the suez crises and urged Britons to see joining the EEC as a way to greater influence in security and trade. Hennessey Artlee a professor of contemporary British history at Queen Mary University London, observed that Macmillan pragmatically “nudged his cabinet” towards the EEC-along the lines of if you can’t beat them, you join them.

Prime Minister Harold Macmillan and Harold Wilson argued that membership would boost the economy of Britain’s place in the world or its search for status Empire. Edward Heat on his part, passionately believed it would prevent repeat of war. Yet all these would ultimately prove insufficient to keep a majority of British voters wanting to remain within it.

WHAT LED TO THE DISSATISFACTION OF BRITAIN WITH THE EU (POLITICS IN THE EU PARLIAMENT)

Some of the challenges in the UK-EU relationship came from the EU itself. Charles De Gaulle the French President at the time of entry vetoed Britain’s membership for the second time in 1963 and 1965. Normally Britain may have felt humbled by a perceived lesser power. It was an affront on the political and diplomatic image of the UK already harboring the glory of a world power. This sentiment may have been reserved for a future date.

There were also policy misfits that of the European budgetary system and the common Agricultural policy being presented to the UK. Next was the issue of member states developing policies at odds with the UK government’s preferences, resulting in the need for various policy opt-outs. There are also other clashes that emanated from a kind of mutual misunderstanding or conflicting values, owing to successive UK governments’ failure to come to terms with integration as a political project; the repeated attraction of Atlantist options rather than EU ones and an adversarial approach to EU diplomacy rather than alliance-building with EU partners.

The European issues’ persistence has been due to several competing and evolving views of Britain and its relationship with Europe. (Bulmer and James 2018). In the early years a conservative appeal to Britain’s global and common wealth relation introduced one basis of opposition to membership. More recently, this conservative position evolved into a more populist Euro-scepticism with its origins in Mrs Thatcher’s Bruges speech and the decisions that opened up with the Maastricht Treaty. In particular, the UK’s September 1992 exit from the Exchange-Rate Mechanism-called the first Brexit.” (Keggan et al., 2020) – reinforce this emergent cleavage within the conservative party. The United Kingdom Independence Party (UKIP) became the outriders of this national conservative position.

The economic benefits of integration formed much of the original vision of a centre-right trading vision of integration, one espoused by conservative Prime Minister Macmillan and Heath. This perspective was solidified by Mrs. Thatcher's efforts to export ideals of liberalism to the EU via the single market. However, the conservative divisions following the Bruges speech (above) have been compounded by splits within this neoliberal view of EU. Some politicians call for a global Britain because the EU is deemed an obstacle to liberal trade.

On the left of the party spectrum, the debates of the 1970s and 1980s concerned whether economic and social welfare could best be delivered inside or outside the EC/EU. This conundrum split labour party when it entered government in 1974. They could only be resolved after re-negotiating the terms of membership. The subsequent 1975 referendum at which 67% Briton voted to stay in the EC, helped paper over intra-party divisions. Those preferring the national route took a dominant role in the Labour Party for much of the 1980s (withdrawal was party policy from 1980 to 1987/88). That current party leader, Jeremy Corbyn, was in the national camp; where as many of his MPS from the Blairite generation followed a pro-EU approach to economic and social welfare, which explains the party's travails from the 1975 referendum to present. These evolving divisions offer some explanations to the lead-into the referendum. The 2010-2015 coalition government combined the liberal democrats, the most consistent pro-European party, with the post-Maastricht more Euro-sceptic version of the conservative party. European policy dissent was rife.

From the divisions and electoral concerns about the rise of (UKIP) United Kingdom Independence Party came David Cameron's Bloomberg speech (2015) in which he set out his vision for the UK, argued for a new settlement with the EU and promised a referendum thereafter. Fortunately, he was re-elected in May 2015 and he had to operationalize his promise. The re-negotiations culminated in a European council agreement in February 2016 . To many of his backbenchers and key parts of the print media, the achievements were underwhelming. This judgement set the tone for a referendum campaign during which his own party was divided, while Jeremy Corbyn's commitment to remain in the EU seemed un-enthusiastic.

In the wake of the referendum Prime Minister May calculated that she had to make a clear break from the EU to secure the support of her Eurosceptic backbenchers. She interpreted the referendum herself as a clear signal that voters wanted the government to control EU immigration, suggesting a so-called hard border Brexit which would leave the UK outside the single market and the custom union.

In her January 2017 speech at the Lancaster House, she outlined the government's negotiating objectives for Brexit, ruling out membership of the single market and customs union and instead calling for a Global Britain to strike a free trade deal with the EU and new trade agreements with other countries. Other very important objectives were to take back control of immigration and British laws, end the jurisdiction of the European court of justice, avoid a hard border with Ireland, and guarantee the rights of EU citizens living in Britain and the rights of British nationals in other member states. Later in February of 2017, the UK government issued a white paper that further elaborated the points made at the Lancaster House speech. Further down in March the government invoked article 50 and the negotiations on withdrawal began with a phased approach as approved by the European Council.

In the same month, all the proposals regarding the withdrawal of UK and future UK/EU relations espoused by the European council, were endorsed by the European parliament, the body that is bestowed with the power of assent. The EP further reaffirmed that membership of the internal market and the customs union entails acceptance of the four freedoms, the jurisdiction of the court of justice of the European Union, general budgetary contributions and adherence to the European Unions, common commercial policy it stressed the obligations concerning the UK's budgetary contributions living in the

UK. Finally, it warned against any bi-lateral arrangement between one or several member states and the UK, in the areas of EU competence.

CONCLUSIONS AND RECOMMENDATIONS

Circumstances of the ebb and flow with regard to the UK's dissatisfaction over her relationships with the EU under different governments played up in the referendum of 23 June 2016 tagged referendum on membership of the EU. The question facing voters was "should the UK remain a member of the EU or leave the EU? The result was a 51.89% votes in favour of UK leaving the EU.

What remained after this even was the emphasis on Post-Brexit which was the calculation on the expected relationships that could still exist between the United Kingdom and the European Union. These were worked into negotiations which spanned a transitional period that ended on the mid night of December 31, 2020 the eventual date of Britain's exit from the EU-Brexit.

In tandem with the foregoing, it is then recommended;

- i. That winding down of UK's contribution to the EU budget and spending programmes.
- ii. A form of safe haven in the form of acquired rights and other social obligations for EU Nationals living in the UK and UK nationals living in the EU.
- iii. There should also be some unfettered peculiar relations that the UK may retain between her and the EU and other individual European Nations.
- iv. The sustenance of trade and cooperation agreements in information and security and in specific terms, nuclear cooperation including a joint collaboration to combat crime.
- v. The control of EU immigration, suggesting a so called "hard border Brexit" which would leave the UK outside the single market and custom union.

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