

HAS EUROPE LEARNED ALL THE WRONG LESSONS FROM BREXIT?

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Abstract

In June 2016, Britain, a member of the EU since 1973 and one of its largest economies, voted to leave the formal institutions of the European integration process. Notwithstanding the importance of that event, Brexit remains completely absent in current debates regarding the EU's future. This absence reflects both a political desire in Brussels „to move past Brexit“ and a reordering of European priorities given the onset of the Covid-19 pandemic in early 2020. This paper identifies that the EU's approach to British relations since 2016 has been defined by two characteristics. First, a stable and persisting unity on all major issues. Second, a disciplined focus on the technical details of Brexit. However, this approach is not without serious risk. It has caused the EU to overlook how the EU's strategic choices evolved, shaped and influenced Britain's position in Europe since the 1980s. It has also caused Brussels to underestimate the strategic importance of Britain and to undervalue the wider benefits it accrues from its close relationship with the United States. The implications of those „lost“ lessons are relevant to the future development path of the EU. They will also pose a challenge to several Central and Eastern European members of the EU in the years ahead.

Keywords: Britain, European Union, Brexit, Conference on the Future of Europe, European Integration

Remarkably, for such a seismic event, Brexit continues to be noticeable by its absence in the formulation of future European Union (EU) strategy. The ongoing Conference on the Future of Europe (CFE), established to identify the reforms required for a more efficient EU, makes no direct reference to Brexit.¹ Formalised from an original Franco-German proposal published in November 2019, the CFE is organised on the principle of active citizen parti-

¹ The Conference on the Future of Europe (CFE) is a joint undertaking of the European Commission, European Council and European Parliament. It was officially launched in May 2021.

cipation through events, European citizen panels and Conference plenaries. The subsequent Joint Declaration of the EU institutions officially launching the CFE refers only to the „multiple challenges“ facing the EU and to the Covid-19 pandemic, but not specifically to Britain or Brexit.²

Similarly, in Strasbourg at the launch event of the CFE in May 2021, President Macron referred only to „an unprecedented pandemic that has affected us for more than a year worldwide“.³ Even the European Commission President, Ursula von der Leyen, in her annual State of the Union address delivered in the European Parliament in September 2021 failed to offer a single reference to Britain, Brexit or the future of the Anglo-EU relationship.⁴

Section 1 of this paper discusses how the explicit absence of Brexit in current EU strategic debates reflects a political desire in Brussels „to move past Brexit“. It also highlights how the onset of the pandemic in early 2020 has supplanted Brexit as the key driver of change in the EU’s future strategic development. Section 2 illustrates that the EU’s assessment of Brexit as being solely a British issue risks, minimising its true impact on the European integration process. It also lessens the probability of Brussels fully understanding Brexit’s longer-term causes.

Section 3 concludes by highlighting two important lessons arising from Brexit which have been overlooked by the EU. Firstly, Brexit evolved, was shaped and influenced by the EU’s strategic choices made over several decades. Secondly, the EU continues to underestimate Britain’s strategic importance and understates the strategic risks to Europe of an even mildly successful Britain.

1. Brexit. What Brexit?

The absence of Britain, or Brexit, from the founding rationale of the CFE can, in part, be ascribed to the onset of the Coronavirus pandemic in early 2020. It’s subsequent fallout – a level of socio-economic disruption not seen since the Second World War – has resulted in significant economic disruption across Europe and indeed globally. The fiscal supports required to combat the worst effects of the pandemic have significantly increased national debts. The Eurozone’s debt to-GDP ratio exceeded 100% in the first quarter of 2021 (up from 84% in 2019) with debt levels already exceeding 130% of GDP in Greece, Italy and Portugal.⁵

² European Parliament - European Council - European Commission, *Joint Declaration on the Conference on the Future of Europe: Engaging with citizens and democracy - building a more resilient Europe*, 10 March 2021.

³ Statement by President Macron, launch event of the Conference on the Future of Europe, Strasbourg, 9 May 2021.

⁴ President Ursula von der Leyen, Strengthening the Soul of our Union, State of the Union address, Strasbourg, 15 September 2021.

⁵ Eurostat, *Euro indicators*, Brussels, 22 July 2021.

The public response to the pandemic – unprecedented fiscal supports to match a very loose monetary policy – has resulted in Europe confronting an almost unprecedented set of economic circumstances. Low interest rates (a remnant of Europe's sluggish recovery from the Great Recession) have now been paired with tapering fiscal supports, soaring consumer savings, booming assets prices (including housing), increasingly unequal labour markets and rapidly rising public and corporate debt.

In this context, and given the scale of the global economic turmoil evident since early 2020, it is clear that the ongoing pandemic has superseded Brexit as the key rationale underpinning the CFE and EU strategic thinking generally. The scale and potential difficulties arising from the protracted Brexit negotiations since 2016, and the many disagreements between Britain and the EU which remained in 2021, pale in comparison to the fundamental challenges raised by the Coronavirus. For the EU, Brexit has now just become one challenge of many.

The Coronavirus has also fundamentally changed the political landscape in Brussels. The nature of the pandemic – a public health crisis impacting across all member states and social strata – has strengthened the rationale of those seeking a bigger, more confident EU. A Europe with wider competencies enabling it to undertake more European wide policy initiatives. This is addressed in the Joint Declaration on the CFE which specifically sets out that:

„To address geopolitical challenges in a post Covid-19 environment, Europe needs to be more assertive, taking a leading global role in promoting its values and standards in a world increasingly in turmoil.“⁶

To this end, it appears that the CFE has been primed to become the vehicle for delivering a post-Covid vision of the EU. A vision that is based on a more assertive, powerful EU. A more coherent EU, better able to respond to challenges, both political and economic, arising from geo-political challenges like Afghanistan, China, tackling climate change and the digitalisation of society.⁷

However, the strategy of attempting to use the CFE as an umbrella response for multiple challenges – in the Joint Declaration this includes everything from social justice to combatting carbon emissions – is problematic. The challenges are so big that the final recommendations risk becoming generalised statements of approach, rather than discernible policy actions. Also, the entire CFE will be compromised if its final recommendations are seen, to just broadly mimicking the existing priorities of the European institutions. Given the prominence allowed to specific issues highlighted in the Joint Declaration this latter possibility should not be discounted.

In this context, the entire Brexit process – including the lessons learnt for the EU – have been subsumed into the much broader questions to be tackled

⁶ Joint Declaration on the Conference on the Future of Europe.

⁷ State of the Union address, 2021.

by the CFE. This makes it very difficult for the CFE to specifically address how Brexit has (and will continue to) alter the operation of the EU in the years ahead.

There remains no reflection process within the EU dedicated to understanding the longer- term drivers of the Brexit process.

This approach also carries the risk that the EU, in seeking to increase its relevance in the post-Covid environment, will simply regard the aftermath of Brexit as just another challenge in the post-Covid world, rather than giving this issue the detailed analysis it requires. Because trying to understand the voluntary detachment of one of the EU's largest economies after nearly fifty years of membership should be one of key priorities for Brussels in the years ahead.

However, as with the current structure of the CFE, „*moving past Brexit*“ has become the dominant political theme in Brussels. A strategy strengthened by the onset of the pandemic which has allowed the EU to recast itself as an actor on the global stage while simultaneously seeking to deepen the integration process.

2. Brexit. It has nothing to do with us!

Brexit has not been the impetus for reassessing the EU's future development path. Nor has any attention been focussed on the role EU policy played, directly or indirectly, in creating the conditions which facilitated the 2016 referendum result. In fact, such reassessments are more noticeable for their absence. As noted, the pandemic and its consequences, have become the key underpinnings of the EU's forward-looking strategies.

Rather, the EU approach to „*understanding*“ Brexit has focussed exclusively on how British domestic interests (both political and economic) utilised the question of Europe to achieve their own narrow domestic aims. An agenda predicated largely on the concept of „*Global Britain*“. This vision, in the words of the current British Prime Minister Boris Johnson, set Brexit as a choice between a „*dynamic liberal cosmopolitan open global free-trading prosperous Britain, or a Britain where we remain subject to an undemocratic system devised in the 1950s that is now actively responsible for low growth and in some cases economic despair*“⁸

Although it is clear that Brexit was a process overwhelmingly driven by internal British debates, it also displayed a „*revolutionary phenomenon which radicalised as time went on*“.⁹ This chaotic, internalised nature of Brexit has been reinforced – in the eyes of the EU – by the subsequent approach of successive British governments to negotiations with Brussels in the period

⁸ Boris Johnson, „The Liberal Cosmopolitan Case to Vote Leave“, *Why Vote Leave*, 9 May 2016.

⁹ Ivan Rogers, *9 Lessons in Brexit*, London, Short Books, 2019, 48.

since 2016. An approach which still compromises present Anglo-EU relations, most specifically with regard to the Northern Ireland border.

For many in Continental Europe the entire Brexit process is evidence of Britain's long standing ambivalence about European integration, and the ultimate reminder of Westminster's shallow transactional focus with Europe.¹⁰ This view feeds into the related narrative that Brexit was the inevitable result of British „exceptionalism“ stretching right back to the aftermath of the Napoleonic wars.¹¹ It also gives credence to the analysis that the „awkward Brits“ were holding back the process of European integration.

In this reading of Brexit, „*the United Kingdom's departure gave it (the European Union) a jolt of creativity dictated by circumstance*“.¹² A shock which has produced „*fertile soil for another attempt at deepening integration*“.¹³ In this context, Brexit has simply become the most obvious sign that the EU must become even more integrated to survive. This is the view of President Macron, who in acknowledging the need to learn lessons from Brexit, identifies „*more Europe*“ as the only path forward to compete with China and the United States, and to meet the challenge of combatting climate change in the decades ahead.¹⁴

What is common across all of these narratives is the explicit assumption that the EU was no more than a bystander in Britain's inexorable slide towards Brexit from at least the late 1980s. However, the widespread acceptance of this conclusion will do little to strengthen the integrity of EU in the years ahead. Rather, attributing Brexit to British related factors only, risks minimising its true impact on the European integration process. It also lessens the probability of the EU engaging in the required assessment of Brexit's much longer-term causes. Causes which evolved during the 47 years of Britain's membership of the EU.

The reality of Brexit is much more complex. However, on a macro level, it is clear that Brexit can be seen as a triumph for a misrepresented and selective view of British imperial history and an unbending belief in the primacy of the nation state. This narrative was combined (quite quickly and unpredictably) with a rise in economic nationalism and populism stimulated by the global economic crisis that commenced in 2007. This combination, in turn, challenged long-established political norms such as Britain's membership of the EU.¹⁵

¹⁰ John Darwin, *Unfinished Empire: The Global Expansion of Britain*, London, Penguin Books, 2012, p. 366.

¹¹ Andrew J. Crozier, „British Exceptionalism: Pride and Prejudice and Brexit,“ *International Economics and Economic Policy*, Vol. 17, 2020, pp. 635-58.

¹² Milica Delivic, Brexit lessons for the EU and its Neighbourhood, European Council on Foreign Relations, 26 January 2021.

¹³ Neil Nugent, The Implications of Brexit for the Future of Europe, p. 71 in Benjamin Martill and Uta Staiger (eds.), *Brexit and Beyond: Rethinking the Future of Europe*, London, UCL Press, 2018.

¹⁴ President Emmanuel Macron, Letter to the British people, 1 February 2020.

¹⁵ Eoin Drea, *The Empire Strikes Back: Brexit, History and the Decline of Global Britain*, Wilfried Martens Centre for European Studies, Brussels, 2019.

As previously noted, Brexit, rather than being a stationary objective, was, in fact, a revolutionary process which politically radicalised as it evolved.

Yet, not one factor in isolation drove the Brexit process, but rather a combination of political, economic and socially related issues. It is true that many of the hard Brexiteers policy lines were (and remain) totally contradictory. The „taking back control“ debate for instance witnessed „right wing populists claiming they are avid free traders and simultaneously saying that one of the purposes of taking back control is to be able to rig domestic markets/competitions in favour of British suppliers/producers.“¹⁶ These are the same contradictions which continue to characterise some of Britain’s internal policy debates in 2021.

But, it is not enough to just ascribe Brexit to British uniqueness and reckless politicians. It is clear also that decades of rising insecurity played an important role in allowing economic grievance to express itself as cultural or values driven behaviour.¹⁷ The illiberal sentiments often expressed as a type of hyper-nationalism during the Brexit process are not unique to Britain. The United States and Brazil are just some of the many states experiencing variations of this process in recent years. Values, or the perceived alienation of the main political parties from the beliefs of many people, fed directly into the result of the Brexit referendum.¹⁸

Although the purpose of this paper is not to provide a review of the reasons Britain chose to leave the EU, it is important to restate the complex and multifaceted nature of the Brexit revolution. To borrow Professor Kevin O’Rourke’s conclusion, Brexit really is complicated.¹⁹ And it is those complications which the EU should be identifying if it really wishes to pair a strategic response to Britain leaving the European Union with a stronger integration process in the future.

3. Swinging small, missing big

Although easy to forget in this pandemic-era environment, the result of the Brexit referendum was considered to pose an existential question for the very survival of the EU. Driven by this threat a defining characteristic of the EU’s response was its coherence and essential unity on all major issues. It is a unity which persists in ongoing discussions with London.

The other defining element of Brussels’ negotiating strategy remains a disciplined approach to focussing on the technical details of Brexit. The chaotic nature of Westminster politics which the referendum results unleashed (up to

¹⁶ Ivan Rogers, *9 Lessons in Brexit*, London, Short Books, 2019, p. 56.

¹⁷ Martin Sandbu, *The Economics of Belonging: A radical plan to win back the left behind and achieve prosperity for all*, Princeton, Princeton University Press, 2020, pp. 48-9.

¹⁸ Geoffrey Evans and Anand Menon, *Brexit and British Politics*, Cambridge, Polity Press, 2017, p. 73.

¹⁹ Kevin O’Rourke, *A Short History of Brexit: from Brentry to Backstop*, London, Pelican Books, 2018, p. 180.

the British General Election of December 2019) necessitated a strategy which focussed on the practical issues associated with a British exit. Financial obligations, fishing rights, the Northern Irish border and access to (or equivalence with) the Single Market remain the bedrock of the EU's approach.

Politically, it is clear that the EU remains eager to „relegate the EU-UK relationship to a third-order issue, preferably to be dealt with by the Trade and Cooperation Agreement's (TCA) technical committees“. ²⁰ The supply side shocks currently evident (October 2021) in certain segments of the British economy would seem to vindicate the EU's warnings about the high costs of leaving the EU's Single Market.

However, this approach is not without serious risk. By focussing on technical specifics, the EU continues to underestimate the importance of the longer-term drivers of Brexit and their potential to impact on the future development of the European integration process. This ensures that substantive discussion on a more permanent Anglo-EU partnership remains unfulfilled. This „narrow“ strategy also understates the strategic risks to Europe of an even mildly successful Britain. Although, this latter point is already understood by some of the more globalist minded Brexiteers. ²¹ In effect, the EU is swinging small, but missing big when it comes to understanding the lessons of Brexit.

Two important lessons arising from Brexit have been overlooked by the EU. Firstly, Brexit was never just a British process. Its evolving, was shaped and influenced by the EU's strategic choices made over several decades. This resulted into a development path in Britain which – when overwhelmed by a combination of domestic and political insecurities – rendered Brexit, however implausible, as a viable alternative.

The real lesson is not to become trapped by the easy narratives of semi-detached British exceptionalism, but rather to place Britain's engagement in Europe in the specific context of the European integration process. This was a Britain where intergovernmentalism was viewed as the future of the EU. A plan to use the Single Market, Atlanticism and global trade as the drivers of growth. Since the 1980s, this was an alternative model of European integration which would concentrate power „at the centre of a European conglomerate“. ²² The reshaping of Europe to these goals was a key driver of Britain's entry into the then EEC in 1973. ²³

Ultimately, wider geo-political events – the collapse of the Soviet Union, the reunification of Germany, the Franco-Germany agreement on monetary union – ensured the failure of Britain's looser vision for Europe. Ironically,

²⁰ Fabian Zuleeg, Jannike Wachowiak, Could the Brexit domino effect come back to haunt us? European Policy Centre, 23 April 2021.

²¹ Roger Bootle, *Making a Success of Brexit and Reforming the EU*, London, Hachette Books, 2017.

²² Margaret Thatcher, Speech to the College of Europe („The Bruges speech“), Bruges, 20 September 1988.

²³ Stephan Wall, 'Britain and Europe', *The Political Quarterly*, Vol. 83, 2012, p. 327.

Britain's greatest achievement in Europe – the Single Market Act – still remains the bedrock of European prosperity today.²⁴ Britain's subsequent creeping detachment, amplified by an opt-out from the Euro currency, has been viewed as „*putting a time-bomb under the sustainability of Britain's membership of the EU*“.²⁵ In other words, Britain was collateral damage to a European integration process which choose a deeper, more integrated development path.

A second lesson arising from Brexit is that the EU continues to underestimate Britain's strategic importance. Without comprehensive Anglo-EU agreements in place, Britain poses a significant economic and political challenge to Brussels. The EU's focus on the grinding technical details of „*protecting*“ the Single Market (and Westminster's current supply side issues) has resulted in Brussels minimising the risks of Britain as a strategic competitor.

But this risk is real. Particularly if the coming years bring a stabilisation of Britain's internal politics and a refocusing of their economic priorities in areas where they have existing strengths. Finance, education, security and defence, Fintech and A.I. are just some of the areas that could lead to significant economic expansion in the future. This growth will be complemented by Britain's doubling down on her strategic partnerships with the United States and the other English-speaking economies of the „*Anglosphere*“.

Although often derided in the EU, Britain's relationship with the United States remains the underpinning of its post-EU identity. This is a relationship whose strategic importance has been overshadowed by Brussels' perceptions of a weakened post-EU Britain. But for Westminster it is irrelevant whether they are viewed as the most important partner of Washington (their preferred choice) or as a „*vassal*“ of the U.S. (in the words of Clément Beaune, France's Europe minister).

Because for Britain, even subjugation brings the benefits of proximity, relevance and inclusion in Washington's wider geo-political strategies. These are benefits clearly lacking in other EU member states relationships with the U.S. as evidenced by the recent controversy over Australian submarines. Ironically, these benefits also emphasise the lack of operational coherence in the EU to act collectively in many important areas.

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²⁴ Hugo Young, *This Blessed Plot: Britain and Europe from Churchill to Blair*, London, MacMillan Books, 1998, p. 337 describes the Single Market Act as „*quite largely a British text*“.

²⁵ Helen Thompson, 'Inevitability and Contingency: the Political Economy of Brexit', *the British Journal of Politics and International Relations*, Vol. 19, 2017, pp. 434-49.

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