

For a ‘Scrap-it’ Brexit – 33 reasons why ... and counting

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The vocabulary of comments in the British media is beginning now to go beyond the ‘soft’, ‘hard’, ‘cliff-edge’ and ‘no deal’ Brexit, to include a ‘scrap-it’ Brexit. The tide of opinion in England may be turning, as the real implications of Brexit start to become clearer.

The whole process has been a long catalogue of political errors since Prime Minister David Cameron decided in 2013 to hold a referendum, and now the real costs are becoming apparent. Let’s list the main items.

1. Most advanced democracies require the approval of a ‘constitutional majority’ (i.e. around two-thirds) as a precondition for changing the constitution, which leaving the EU amounts to for the UK on a grand scale. This normal precaution, guarding against what Edmund Burke in 1790 and John Stuart Mill in his 1859 work “On Liberty” called the “tyranny of the majority”, was ignored. Note that the 1975 referendum supporting membership effectively saw a constitutional majority (of 67%) in favour.
2. Before the referendum took place, it was characterised as “legally advisory”, but immediately afterwards the result became “politically binding”.
3. The referendum posed an imbalanced choice between the known status quo of membership in the EU, and the unknown conditions of a Brexit. Even to this day the British government cannot say what it wants, and knows even less what it can get.
4. The referendum campaign was marred by outright lies on the part of the Brexiteers, from assertions that savings of £350 million per week from EU budget contributions would fund the National Health Service, through to the threat that millions of immigrants would flow to the UK following Turkey’s accession to the EU.
5. Polling research has shown that when Leave voters were asked whether their position would change if they would be worse off after exiting the EU, the switch in positions would have resulted in a 10% majority to remain.¹

¹ Sam Ashworth-Hayes, “[Brexit does not mean whatever May wants](#)”, InFacts.org, 17 July 2017.

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6. As early as 2012, Prime Minister Cameron ordered a thorough review of the workings of the EU, whose officially published findings² concluded that the EU's competences with relevance for the UK (i.e. excluding the euro and Schengen) were soundly chosen and that there were therefore no grounds for repatriating them.
7. He ignored these findings, however, and proceeded to demand radical reform of the EU, but was not able to define what this reform would consist of in operational terms. This was the case for one basic reason: the UK was already in what it liked about the EU (the single market and general political deliberations) and already out of what it did not like (euro and Schengen).
8. As a result, Cameron's renegotiation package lacked content compared to the expectations he had created, which had the effect of undermining the credibility of his recommendation to remain.
9. And now the current government walked itself into an extraordinarily weak bargaining position, by triggering the time-limited Article 50 procedure in March before being able to agree internally on its operational objectives, following which Prime Minister Theresa May called voluntarily a general election in June at which she lost her majority in Parliament, thereby damaging the credibility and legitimacy of her government.
10. Instead of substance, the Prime Minister has offered slogans, ranging from the meaningless "Brexit means Brexit", to the potentially catastrophic "No deal is better than a bad deal".
11. More precise formulations in the February 2017 White Paper were contradictory, saying that the UK will leave both the single market and the customs union, but still seeks "seamless, frictionless free trade" with the EU. Presumably this reflected divisions in the cabinet that the Prime Minister was unable to reconcile.
12. Statements that the UK would stop big payments to the EU budget are now corrected by the recognition that the UK has obligations to make a financial settlement with the EU, where the sums quoted in the European media range from €50 to 100 billion. In addition, the UK has slightly softened its position on a number of other accounts, for example a role for the Court of Justice of the European Union in a transition period.³

And now the real consequences are becoming visible and in many cases quantifiable:

13. The car industry, entirely foreign-owned, has stopped investing. Airbus is considering relocating its UK operation. Some 40% of UK enterprises say Brexit is negatively affecting their investment plans and only 2% report a positive effect (CBI).⁴

² UK Government, [Review of the Balances of Competences](#), 12 December 2012.

³ ["Ongoing Union judicial and administrative proceedings - position paper"](#), Department for Exiting the European Union, UK Government, 13 July 2017.

⁴ Confederation of British Industry (CBI), ["Stay in Single Market and Customs Union until final EU deal in force"](#), 7 July 2017.

14. The financial services sector sees the beginnings of re-location out of London, the main question becoming how the pickings will be distributed in the competition between Paris, Frankfurt, Dublin and Luxembourg.⁵ Frankfurt and Paris bourses have joined forces in pushing for euro derivatives clearing to be shifted to an EU jurisdiction (London's market share today is 70%).⁶
15. Immigration from the EU has already fallen substantially, as the 'not welcome' sign has its effect, especially for the eight new member states from Central and Eastern Europe. With both new inflows and outflows back home taken together, the net inflow from these countries dropped in the course of 2016 to close to zero.⁷ Brexit is no longer necessary to reduce immigration from the EU, but further cuts in immigration threaten many industries.
16. The UK's leading place in Europe in the IT sector is highly dependent on high-skilled personnel from the continent, and this thriving sector is now at risk if immigration is restricted.⁸
17. In the medium-skilled sector, reduced immigration from the EU is already apparent, with the Royal College of Nursing reporting "a staggering drop" in EU arrivals of EU nurses (by 96%), threatening the functioning of the National Health Service.⁹
18. As for the low-skill sector, the British fruit industry warn that a shortage of EU immigrant workers threatens their future, given that it depends on 95% of its seasonal labour coming from the EU. Their spokesman says: "It is inconceivable that people who voted to leave the European Union wanted to destroy an iconic and incredibly competitive British horticulture industry, and see the end of buying British produce."¹⁰
19. UK universities are seriously concerned about losing academic staff from the continent as well as falling enrolment. Oxford University, ranked number one in the world, depends on continentals for 17% of its academic staff and 15% of its student body. Brexit is a "major concern" for the Vice-Chancellor.¹¹ The UK's 24 leading universities depend even more (24%) on academic staff from the continent, and a 30% rise in departures back home is already reported.¹²
20. The dropping of UK research institutions out of EU-funded networks and projects threatens the UK's leading position in European scientific research.

⁵ "[Dublin is top-destination for financial groups post-Brexit](#)", *Financial Times*, 12 July 2017.

⁶ "[Frankfurt, Paris Hubs Step Up Pressure on Post-Brexit Euro Clearing](#)", *New York Times*, 12 July 2017

⁷ "[Eastern Migration to the UK in 5 charts](#)", *Financial Times*, 12 July 2017.

⁸ Mikkel Barslund and Matthias Busse, "[Programming Brexit: How will the UK's IT sector fare?](#)", CEPS Policy Insights, No. 2017-27, CEPS, Brussels, June 2017.

⁹ "[96% drop in EU nurses registering to work in Britain since Brexit vote](#)", *The Guardian*, 12 June 2017.

¹⁰ "[How Brexit threatens Britain's summertime strawberries](#)", ABS/CBN News, 22 June 2017.

¹¹ "[Brexit a concern for Oxford's Irish vice-chancellor](#)", *Irish Times*, 20 September 2017.

¹² "[Fear of Brexit brain drain as EU nationals leave British universities](#)", *The Guardian*, 3 June 2017.

21. The prospect of leaving Euratom raises serious doubts about the adequacy of the UK's nuclear safety inspection skills.¹³
22. The UK has made no clear statement about which EU agencies it wishes to remain associated with. But it is now beginning to appreciate what it would mean in terms of costs, skills and bureaucracy to replicate many of these agencies at the UK level, to ensure sound technical standards, for civil aviation, drugs, chemicals, etc.
23. The European Medicines Agency and European Banking Financial Authority located in London plan to move to the continent, with over a thousand jobs to be relocated from Canary Wharf, with an expensive long-term lease contract still to be respected.
24. Quitting the single market for civil aviation: EasyJet is moving its headquarters to Austria.¹⁴ Ryanair notes that the European open sky regime for both EU and non-EU members depends on the jurisdiction of the Court of Justice of the European Union.¹⁵
25. Quitting the single market means bringing back roaming charges.
26. Quitting the single market means the imposition of restrictive quotas on UK trucks entering the EU.
27. Quitting the single market: orchestra tours from the UK to the continent, losing access to the posted workers Directive, ... "a tour goes from breaking even to making a loss".¹⁶
28. Withdrawal from the European Arrest Warrant will mean an end to the fast extradition of suspected criminals, including suspected terrorists.¹⁷
29. Customs experts warn about the prospect of huge queues of trucks and bottlenecks at UK ports, as the number of customs declarations is expected to rise from 55 million per year to 255 million, exceeding the capacity to handle them.¹⁸ The system would adapt in due course, but significant frictional costs from being outside the customs union would remain (e.g. the bureaucracy of respecting rules of origin).
30. Macroeconomic trends show a deterioration. The depreciation of the pound has cut into real income, and with the stalling of investment, the economy is heading back into stagflation, a condition that is extremely difficult to exit once established.
31. The idea that the UK can compensate adequately for the loss of full access to the EU market with free trade deals with those countries elsewhere in the world with which the

¹³ Enrico Nano and Simone Tagliapietra, "[Brexit goes nuclear](#): The consequences of leaving Euratom", Blog, Bruegel, Brussels, 21 February 2017.

¹⁴ "[EasyJet to set up Austrian HQ to operate EU flights after Brexit](#)", *The Guardian*, 14 July 2017

¹⁵ "[Ryanair, EasyJet Say Soft Brexit Won't Ease Airline Concerns](#)", Bloomberg, 14 June 2017.

¹⁶ "[How a 'no deal' could bring Britain to a halt](#)", *Financial Times*, 17 July 2017.

¹⁷ Camino Mort era-Martinez, "[A Brexit bonanza for fugitives from justice](#)", In Facts.org, 11 July 2017.

¹⁸ Ben Moshinsky, "[Government auditor](#): The UK risks a Brexit customs 'horror show'", Business Insider UK, 13 July 2017.

EU does not already have, or is negotiating free trade deals, is seen by trade experts to be an illusion.

32. There is little or no prospect of a good outcome to the Article 50 negotiations. Senior EU representatives, from Juncker to Barnier, warn that there is "no good Brexit". Chief UK negotiator, David Davies, now says that the negotiation process makes going to the moon look simple.
33. The United Kingdom as a society is itself more deeply and bitterly divided than ever before: between England on the one hand and Scotland and Northern Ireland on the other, between London and the English provinces, and between the younger and elder generations. The continued integrity of the United Kingdom faces profound risks.

Some of these points may be considered 'endurable', but taken together they amount to a massive blow to the normal policy objectives of the modern state.

Observers on the continent and elsewhere in the developed world scratch their heads why this UK – until recently, punching way above its weight as a member of the EU, G7 and UN Security Council P5 – should commit the biggest act of self-harm that any advanced democracy has ever voluntarily inflicted on itself.

The reasons to 'Scrap-it' instead of 'Brexit' become more compelling by the day as the real consequences become ever more apparent. The negative economic impacts are likely to build up further as the Article 50 process moves into its most difficult negotiation stage, increasing the uncertainty factors. Time is short. The window of opportunity to limit the damage is fast closing. The political class in Westminster and Downing Street is still mired in disagreement and denial. It seems to be like a Greek tragedy. We heard the prologue, the episodes are ongoing, the chorus warns what is happening, but the main actors are locked into positions that lead inexorably on to the tragic final act. As some commentators are now suggesting, "Brexit is a terrible idea. But it has to happen", and hurt hard before the political class can be purged and renewed.¹⁹ Does this awful prospect have to happen?

Lawyers appear to be uncertain whether the Article 50 declaration can be annulled as a matter of legal procedure, and the question is awaiting the deliberation of the CJEU. On the other hand, some European leaders, including Tusk and Macron, have indicated that they would find its reversal politically acceptable.

It falls to the population at large to wake up to the fate that awaits their country, and to understand that their lot is not 'punishment from Brussels' but rather the making of their own leaders, and thus somehow assemble the necessary political engineering to Scrap-it.

A recent cartoon in the media²⁰ pictured a chivalrous knight armed with a lance, like Don Quixote, charging over the cliff-edge down to the Brexit below, with a Union Jack on his shield of course.

¹⁹ "[Brexit is a terrible idea](#). But it has to happen", *The Guardian*, 14 July 2017.

²⁰ Robert Shrimsley, "[Your country needs you: Brexit's patriot act](#)", *Financial Times*, 14 July 2017.

This would allow us to concur with the last dying words of Don Quixote himself: "... for my desire has been to deliver over to the detestation of mankind the false and foolish tales of the book of chivalry, which, thanks to that of the true Don Quixote, are even now tottering, and doubtless doomed to fall for ever. Farewell."²¹

²¹ Miquel de Cervantes, *Don Quixote*, 1615, translation by John Ormsby, 2010, p. 870.