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The next chapter of EU-UK relations

The Covid-19 pandemic has caused the greatest economic disruption in peacetime that the world has known. The IMF estimates that the blow to world output will amount to \$28 trillion (€25 trillion) between 2020 and 2025. This has, of course, occluded the economic impact of Brexit. It has proven nearly impossible to disentangle the impacts of Brexit from those of the pandemic. But the fundamental truth is that while the pandemic will pass, the effects of Brexit will be felt for many years to come. The reality is that Boris Johnson's government negotiated a very hard Brexit. The deal is thin and replete with deficiencies.

New frictions at borders are costly for both sides, but the greatest impact by far is on the UK economy. Global supply chain issues have affected many countries, but Brexit has diminished Britain's resilience and so the problems have been far more acute.

The British economy has been reliant on foreign investment – memorably described as ‘the kindness of strangers’ – for many years. Investment is the engine of growth and vital to the success of any economy. Britain has lost the top spot in the investment league tables to France – and investment in manufacturing has been particularly hard hit.

This creates a political problem, too: the UK government has prioritised tackling regional inequality where manufacturing must play a central role. Brexit has made it harder to accelerate growth in precisely the former industrial communities that voted for it.

At the heart of Brexit is the idea that the UK will enjoy greater agility outside the EU than within it, enabling it to seize new opportunities more quickly. The early success of the UK vaccine programme – and the bungling approach taken in Brussels – seemed to suggest that there was some truth to this notion. But this early success was nothing but a mirage. As the months have passed, EU countries have achieved higher uptake of vaccines and have been more successful at keeping infection rates down. Cooperation pays dividends.

The political strategy of Boris Johnson and his government is obvious: bolster popularity at home by picking a fight across the channel at every given opportunity. British ministers may attempt to reassure their counterparts in Paris with kind words in private, but their public statements matter because they limit room for manoeuvre for both sides.

We can expect the same pattern of behaviour to continue for as long as Johnson occupies 10 Downing Street. Both his party and his voter base reward – even rejoice in – taking

a tough line with European capitals and Brussels. There is little appetite to work constructively to solve difficult issues. There is every political incentive to pick fights.

The provocative political strategy has some distance to run. Brexit invited voters to imagine any future was possible and its cheerleaders have proven adept at promising that global success is always just around the corner. Just keep the faith in Brexit, they say. They now promise that Britain will see the dividends over a generation, not a few years or even a decade.

The nationalist forces at the heart of the Brexit project have been intoxicating for many. But some voters are growing tired of the promises and lack of real change. The question is whether this will translate into shifting votes at the next general election, which is not scheduled until 2024.

For EU-UK relations to improve, there will need to be a change of government in London. With Johnson enjoying a large majority and the Conservatives consistently ahead in opinion polls, that change is unlikely to come soon. It will take a new government to work constructively with the EU for the relationship to be put on a better footing.

One of the core reasons that Brexit was always such a poor idea is that Britain and the EU have so many shared interests. The politicians of the day can spin a different story, but the realities of geography, history, relationships, and patterns of trade mean that it is in our interests to cooperate with one another.

As we have seen with Brexit, reckless and selfish politicians can ignore the national interest in the pursuit of power for themselves. But eventually they will be found out. British politics has been detached from reality for some time. Eventually it will crash down back to earth. It is not a question of whether that will happen, but when.

One day, Britain will re-join the EU, either as full members or in such close alignment that the difference is indistinguishable; demographic changes and self-interest can assure us of that. After all, Brexit is a political project like the emperor's new clothes. Instead of striding across the world stage in a remake of empire, Britain is naked, shivering in the cold. Re-joining is only a matter of time.