

# A long time coming: Brexit and what happens next

 [blogs.lse.ac.uk/brexit/2016/06/27/a-long-time-coming-brexit-and-what-happens-next/](https://blogs.lse.ac.uk/brexit/2016/06/27/a-long-time-coming-brexit-and-what-happens-next/)

27/06/2016

*Britain has always been relatively Eurosceptic and might have voted to leave at any point in the last decade. Post-2004, immigration and the Eurozone crisis were the icing on the cake. **James Dennison** argues that Brexit is unlikely to result in national catastrophe and we were never wholeheartedly committed to the European project anyway – and certainly not what it had become. He concludes that Britons now must accept the result and coalesce around a settlement that minimises disruption over the next decade and will demand considerable concessions from both sides.*



This was a long time coming. [Britons' approval of EU membership has always been considerably lower than in most other EU member states](#). Britons were never as comfortable with ceding sovereignty and many citizens became less comfortable through the 43 years as the centralizing reality of the project became clear. [Britons were the least likely of all Europeans to adopt a European identity](#) and even many pro-Remainers, such as myself, would be considered Eurosceptic or at least 'Euro-critical' by continental standards. By 2016, there were no dyed-in-the-wool pro-Europeans left in British politics. [If there had been a referendum on EU membership at any point over the last decade](#), there would have been a considerable chance of Brexit.

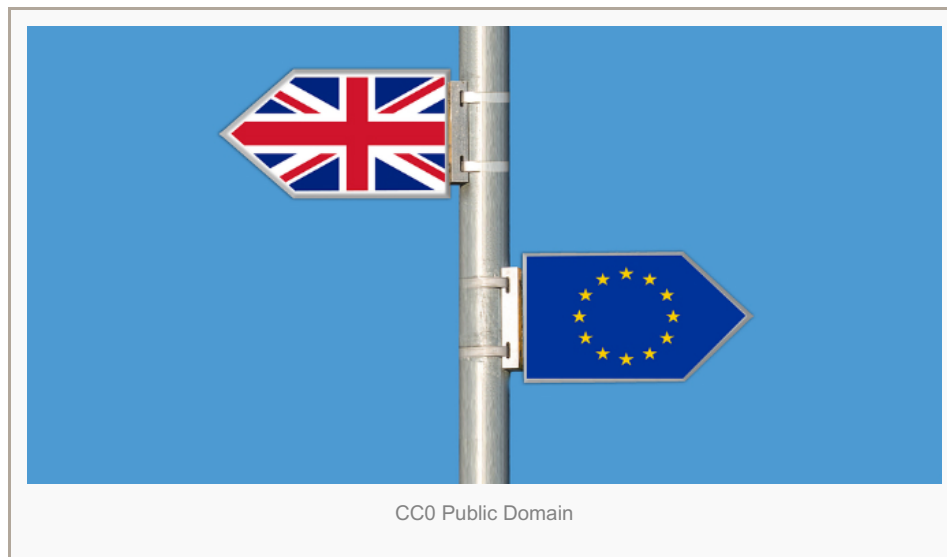
Still, context did matter. Prior to 2010, the EU was grudgingly accepted in British elite circles because it had intellectual credibility and, at the very least, did no harm to them outside of abstract notions of sovereignty and constitutionalism. Since then the Eurozone crisis has revealed a European elite and machinery fundamentally unable to deal with the responsibilities of actual government regarding the single currency. The results in southern Europe have been devastating. By contrast, those nations that retained monetary independence – such as the UK – were able to use this power to deal with the crisis, just as the anti-Euro campaigners had said fifteen years earlier. If the Eurosceptics were right about this, what else might they be right about?

Between 2004 and 2014, 2.5 million EU nationals arrived in the UK, an unprecedented and unmandated socio-demographic transformation. By 2015, over 65% of Britons wanted immigration reduced and less than 7% wanted it increased (British Election Study, 2015). What made the issue toxic for Britain's relationship with the EU was not just the level of immigration itself, but that no matter how high public anguish over the issue became, successive governments were unable (or unwilling) to respond to the electorate's wishes, as they had done in the 1970s. As the Eurozone crisis worsened, the numbers of immigrants rose, public sentiment soured and the elected government sat on its hands. Something had to give. By 2016, UKIP and Farage had already successfully fused immigration and the EU as a single issue in public imagination. In the months prior to the referendum, it was revealed that over 4.5 million EU nationals had registered to work in the UK since 2004, far higher than the official immigration figures, which, alongside the still developing migration crisis, added to a sense of chaos and deception from the elite.

The Leave campaign was ugly, but the Remain campaign was weak. Want to control our borders? Vote Leave. Want democracy restored? Vote Leave. Want to trade with the world instead of the crippled Eurozone? Vote Leave. Want to keep things the same so maybe we can reform it a bit but I'll be the first to admit that it's not really working, is it? Vote Remain. Corbyn was purposely inactive, the Lib Dems still wounded from their participation in government and the Tories were split. There was no (pre-Iraq) Blair figure. In England at least, Cameron – a second term, incumbent, soft Eurosceptic Conservative Prime Minister with a tiny majority – was left to do the campaigning. Still, even with a strong campaign, it would have been close and Britain's long-term trajectory would have been outwards even with a slight Remain vote. The Remain campaign was no less deceptive than the Leave campaign. The vast majority of voters made up their minds well before the, often distasteful, campaign, which may have actually boosted the final Remain vote in the final week.

The Leave campaign was lowest-common-denominator stuff, but the sense of entitlement of the Remain camp's

supporters both before and after the result has hardly been magnanimous. Basically, the working class (allied with the old) won and the middle class lost – and the latter, who aren't used to losing, don't like it. Calls for a second referendum based on the quality of the campaign are absurd. If the result had gone the other way, the Leave voters would have to accept the result and move on. The Remainers should too. It is also worth remembering that sizeable portions of the under-35s now complaining about the result did not actually bother to vote. [Indeed a greater proportion of over-65s voted Remain than did under-25s](#) when taking turnout into account.



The next few years will see ongoing market volatility as the negotiations unfold, however, the initial reaction was to be expected. Most surprise election results are followed by market instability. The markets got the result of the EU referendum very wrong and so, the next day, overcompensated before recovering. By the end of Friday, Sterling was stronger against the Euro than it had been just three months ago, largely because the negative risk of Brexit had already been factored in. However, that only underlines that Brexit is a negative for the British economy, at least for the next few years.

The markets are saying Brexit has been bad for Britain but also that Brexit is even worse for Eurozone countries. The FTSE250 ended the day down [3.2%](#). German and French stocks fell between [7% and 8%](#). The markets in southern Europe ended the day between [10% and 13%](#) lower. Brexit increases the perceived risk that other countries will follow suit with exits of their own, at least regarding the single currency.

Similarly, the idea that the Eurozone will more easily integrate without the UK 'standing in the way' is false. [The UK was largely in favour of the fiscal integration of the Eurozone](#). The problem is that the electorates of the creditor nations do not trust the electorates of debtor nations to be fiscally responsible. This will not change, though Brexit may provide greater impetus for urgent reform.

The likelihood of the EU attempting to 'punish' the UK to set a precedent is low. France and Germany, who enjoy strong trade surpluses with the UK, will quickly come under pressure from their own exporters for assurances about bilateral access. Indeed, [German car manufacturers are already calling for minimal trade restrictions between the UK and EU](#). Unelected officials and commentators are more likely to call for blood. The consensus: some 'retributive' symbolism but little action. All will push the narrative that Britain was always a special case and awkward partner.

The UK will probably go into a short recession. Some investors will be spooked, regime uncertainty has increased, consumer confidence (and purchasing power) will fall, Britain's overreliance on its inflated housing market will be exposed.

However, the UK's long-term trade patterns were moving away from Europe anyway. [The UK's trade with the EU in 2000 was over 55%, today it is less than 45% \(still a lot!\)](#). In the short term, this will not change. However, flexibility in a more dynamic and inter-connected global market may be good for the UK in the long-term. Already, there are

calls in [South Korea](#), [Canada](#), [Gulf countries](#) and [Malaysia](#) for Free Trade Agreements with the UK. Most non-EU trade partners with Britain will quickly come to similar conclusions. Again, economics combined with Euroscepticism meant Brexit was a long-time coming.

This does not necessarily mean Scotland will leave the United Kingdom. The Scottish government is unlikely to call a second referendum unless they can be certain of victory. [Prior to Brexit, polls were unfavourable for Scottish independence](#). If they lose a second time, it's game over for Scottish independence. [Over a third of SNP voters supported Leave](#) and Europe remains a low saliency issue. As things settle, the likelihood of a second referendum will fall. [Furthermore, two-thirds of Scottish trade is with the UK](#). If Scotland joins the EU, [and subsequently the Euro](#), with the rest of the UK not in the single market, it will be considerably more economically isolated than the UK outside of the EU. Additionally, [oil prices remain low](#). Still, as we have seen from the EU referendum, identity would matter as much as economics, so there is a possibility that the Eurozone may – almost farcically – end up with a new member out of this.

The situation in Northern Ireland is more complicated. Not only was the Good Friday Agreement built on the premise that all parties would remain in the EU but also it is not clear how the UK will be able to halt free movement of EU nationals without erecting border controls at the Northern Irish border. Still, [the likelihood of Northern Ireland joining the Republic of Ireland remains low](#) and [calls for such a move will be largely symbolic from nationalist parties](#).

The burden of fixing this falls on the civil service. The British party system is incredibly weak and may undergo a fundamental transformation following such a shock (and decades of gradual decay). The Greens and UKIP will continue to benefit as anti-poles on the new cultural political axis aligning across advanced democracies. The key job for the civil service will be to make Britain's 'de-Europeanisation' as much of a continuous, rather than discrete, process as possible. This will probably result in something similar to EFTA or EEA membership (retaining the four freedoms and access to the Single Market), hedging the risks of Brexit considerably. [Commentators have argued that the Leave voters will be furious about this](#). One compromise could be a deal whereby European migrants must have a job before arriving – free movement of the 'economically active'. A sizeable proportion of Leavers will be just as anxious about the current uncertainty as the Remain voters, so such compromises are possible.

To conclude, this was a long time coming. Britain has always been relatively Eurosceptic and may have voted to leave at any point in the last decade. Post 2004 immigration and the Eurozone crisis were the icing on the cake. The campaign's final week probably had a positive effect for Remain (or at least a bad one for Leave), but it was not enough. The reactions from the markets suggest that this will have negative ramifications for the UK, though not as bad as feared nor as bad as those for the Eurozone countries. Predictions that the UK will break up have been overly pessimistic (or optimistic, depending on your view) though Scottish independence is a possibility, just as before. There is now a massive mess to clean up, particularly in legal terms. As such, expect EEA membership or similar to reduce medium-term risks for all parties. For what it is worth, I was pro-Remain because (1) the UK had a veto on constitutional issues, (2) fear of the unknown and (3) I had some affinity to the 'European Dream'. However, Brexit is unlikely to result in national catastrophe and we were never wholeheartedly committed to the European project anyway – and certainly not what it had become. From the early 1990s onwards, both the British government and British people were consistently opposed to further British integration and incrementally lost faith in the potential of European integration as Britain's national mission or even a practicable project. Brexit was a long time coming though still felt like a shock when it finally happened. Britons now must accept the result and coalesce around a settlement that minimizes disruption over the next decade, requiring considerable concessions from either side.

*This article gives the views of the author, and not the position of BrexitVote, nor of the London School of Economics.*

**James Dennison** is a PhD candidate at the European University Institute, Florence. His research interests include political participation, European politics and longitudinal methods. He is currently a Research Assistant for the [UK in a Changing Europe](#) initiative and teaches research methods at the University of Sheffield.

- Copyright © 2015 London School of Economics

