

# Brexit and the European Union: Where Are We Now?

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# Key Questions

- ▶ What are the most recent developments regarding Brexit?
- ▶ What are the key components of the “deal” reached by the UK and the EU?
- ▶ How will this deal affect the relationship the relationship between the UK and the EU?
- ▶ How will this deal affect the United Kingdom?

# European Union

- ▶ The European Union (EU) is a family of democratic European countries, committed to working together for peace and prosperity. It is not a State intended to replace existing States, nor is it just an organisation for International cooperation. The EU is, in fact, unique. Its member states have set up common institutions to which they delegate some of their sovereignty so that decisions on specific matters of joint interest can be made democratically at European level.
- ▶ Source: European Union.  
[https://europa.eu/european-union/index\\_en](https://europa.eu/european-union/index_en)



# United Kingdom and the European Union

- ▶ The European Union was formed by six nations in 1957: France, Germany, Italy, Belgium, Netherlands, Luxembourg
- ▶ Initially, the UK said it had no interest in joining
- ▶ The success of the organization changed the British position and they applied for membership
- ▶ Twice vetoed by French President DeGaulle, the UK finally joined in 1973
- ▶ A referendum in 1975 resulted in 67% of voters choosing to remain in the EU
- ▶ Source: History Behind Brexit, [history.com](http://history.com)



# Rise of Euro-Skepticism

- ▶ Initially, the Labor Party was more opposed to EU membership, but this changed in the 1980s
- ▶ Under Margaret Thatcher, Euro-skepticism took hold in the Conservative Party
- ▶ Common British complaints included paying too much into the EU budget, loss of economic sovereignty, and excessive movement of labor among the EU nations
- ▶ These complaints gained strength until Conservative Prime Minister David Cameron, in the election campaign of 2015, agreed to have a referendum on the issue
- ▶ Source: Amira Higazy, “Eurocepticism, Thatcherism and Brexit” <https://www.e-ir.info/2020/02/26/eurocepticism-thatcherism-and-brexit/>



# Brexit Referendum: June 23, 2016

Source: BBC

Voter Turnout: 72.2%

LEAVE: 51.9% 17.4 million

STAY: 48.1% 16.1 million



# Results by Nation, Brexit Referendum

Source: BBC

## England and Wales

- ▶ England
- ▶ Leave 53.4%
- ▶ Stay 46.6%
  
- ▶ Wales
- ▶ Leave 52.5%
- ▶ Stay 47.5%

## Scotland, Northern Ireland

- ▶ Scotland
- ▶ Leave 38.0%
- ▶ Stay 62.0%
  
- ▶ Northern Ireland
- ▶ Leave 44.2%
- ▶ Stay 55.8%

# Early Events of Brexit

- ▶ David Cameron resigns as PM and is replaced by Theresa May
- ▶ On March 29, 2017, May informs the EU that the UK wants to trigger Article 50, with a date for in two years' time
- ▶ In November 2018, the UK and the EU strike an initial exit deal
- ▶ Throughout 2019, there are a series of defeats in parliament and requests for exit delays by the May government
- ▶ May resigns and Boris Johnson becomes PM in July, 2019. Initially, he faces the same problems as May
- ▶ Source: Euro News, Brexit Timeline



# Why the Problems in Implementing Brexit?

- ▶ Some in the Conservative Party want a very “hard” Brexit; almost no ties left with the European Union
- ▶ May’s plans were generally versions of a “soft” Brexit, with some relationships (such as in Ireland) still in place
- ▶ The Labor Party has generally hemmed and hawed on the issue, but offered little support either way
- ▶ Other parties like the Liberal Democrats are completely opposed to Brexit
- ▶ Public opinion and political leadership in Scotland, and to some extent, Northern Ireland, opposed to Brexit

# December 2019 General Election

Conservative Party 43.6% 365 seats



Labour Party 32.1% 203 seats



**Labour**

# A New Opportunity

Election Win gives Johnson greater ability to move forward on Brexit

- ▶ New withdrawal agreement created
- ▶ Legislation to implement withdrawal passes Parliament
- ▶ On January 31, 2020, the UK leaves the EU and an 11-month transition period begins
- ▶ Transition period needed to negotiate final terms of withdrawal
- ▶ Source: House of Commons Library, Brexit Timeline

Boris Johnson



# The Deal

## Intense negotiations throughout 2020

### ▶ KEY PARTS OF THE DEAL

▶ Source: Tom Edgington, "Brexit: What are the key points of the deal?" BBC News

### ▶ TRADE

▶ No new tariffs or quotas

▶ Some new checks at borders

### ▶ SERVICES AND QUALIFICATIONS

▶ British service industries lose right of access to EU markets

▶ No more automatic recognition of professional qualifications

## Deal finalized in December, shortly before transition period ended

### ▶ TRAVEL

▶ British citizens need visa if in EU longer than 90 days in a 180-day period

▶ EU pet passports will no longer be valid.

▶ European Health Insurance Cards, (EHIC) cards will remain valid until they expire.

▶ The UK is no longer subject to the ban on additional roaming charges, although both sides will encourage operators to have "transparent and reasonable rates" for roaming.

# The Deal Continued

## Fishing

- ▶ FISHING
- ▶ Over the next five-and-a-half years, the UK will gradually gain a greater share of the fish from its own waters.
- ▶ The UK could choose to ban EU fishing boats from 2026, but the EU would be allowed to introduce taxes on British fish in response.

## Security and Data

- ▶ SECURITY AND DATA
- ▶ The UK will no longer have automatic access to key security databases, but should be able to gain access upon request.
- ▶ The UK will not be a member of the EU's law enforcement agency, Europol, but it will have a presence at its headquarters.
- ▶ The UK is no longer obliged to comply with EU standards of data protection, but data will continue to be exchanged in the same way for at least four months as long as the UK doesn't change its data protection rules.

# The Deal Continued

## Disputes

- ▶ DISPUTES AMONG NATIONS
- ▶ There will be no role in the UK for the European Court of Justice (ECJ), which is the highest court in the EU.
- ▶ Disputes that cannot be resolved between the UK and the EU will be referred to an independent tribunal instead.

## Education

- ▶ EDUCATION
- ▶ The UK will no longer participate in the Erasmus exchange programme, an EU scheme that helps students study in other countries.
- ▶ Students at universities in Northern Ireland will continue to participate in Erasmus, as part of an arrangement with the Irish government.

# Other Challenges

- ▶ 1. As an EU member, the UK has trade agreements with other countries; with Brexit, all these have to be re-negotiated
- ▶ 2. There are many people from EU countries living in the UK under the “Common Citizenship” provisions of the EU; likewise, these are British citizens living in EU countries; What happens to these people?
- ▶ 3. Scotland and some of the poorer areas of the UK received substantial economic aid from the EU; will the British government replace that?

# Recent Events

- ▶ 1. BBC: 40% drop in UK exports to EU in January; Head of economics at the British Chambers of Commerce, Suren Thiru, said: "The significant slump in UK exports of goods to the EU, particularly compared to non-EU trade, provides an ominous indication of the damage being done to post-Brexit trade with the EU by the current border disruption".
- ▶ 2. BBC: Post-Brexit disagreements between the EU and the UK have been heightened by the diplomatic row over the export of the vaccines.
- ▶ 3. ABC: The European Union starting legal action against UK: arguing it does not respect the conditions of the Brexit withdrawal agreement and is violating international law. The EU objecting to Britain unilaterally extending a grace period beyond April 1 that applies to trade on the island of Ireland.



# Economic Effects of Brexit on UK

- ▶ Trade Barriers
- ▶ Worker Shortages
- ▶ Loss of Investment
- ▶ Movement of Financial Services (\$1.6 trillion worth of assets moved from UK to EU since 2016 referendum)
- ▶ Survey of European/US economists, 86% believe that the UK economy is likely to be at least several percentage points smaller in 2030 due to Brexit
- ▶ Drop in British GDP: 2.0 to 2.5%
- ▶ Drop in British National Income: 0.6 to 1.3%
- ▶ Sources: CNN, Romesh Vaitilingam, “After Brexit: the impacts on the UK and EU economies by 2030” LSE Business Review; VoxEU.org, Center for Economic Policy Research (cepr.org); Financial Times; Guardian



# Another Referendum in Scotland?

Nicola Sturgeon: YES



Boris Johnson: NO



# Public Opinion

## Brexit Itself

Remain 43%

Leave 42%

Don't know 14%

February 26, 2021

Source: What UK Thinks

Was Britain Right or Wrong to  
Leave EU

Right 43%

Wrong 45%

Don't Know 12%

March 10, 2021

## Boris Johnson

Doing Well 45%

Doing Badly 48%

Don't Know 7%

March 15, 2021

Source: You Gov

Next Election

Conservative 42%

Labor 36%

Lib Dems 7%

Greens 5%

Don't Know/Other 10%

March 15, 2021

Source: Politico

## Scottish Independence

Yes 45%

No 45%

Undecided 9%

March 16, 2021

Source: Politico

# New Face of Labor

- ▶ In December 2019, Boris Johnson had the good fortune to run against a very unpopular opponent, Jeremy Corbyn
- ▶ Next time, he might not be so lucky, as the new Labor leader, Keir Starmer is seen as a more reasonable alternative than Corbyn was



# Final Thoughts

- ▶ Brexit is a reality
- ▶ That does not mean all the details are worked out perfectly
- ▶ The UK is likely to have some rough economic waters as transitions away from the EU
- ▶ The UK may also face some political conflicts related to Brexit, especially in Scotland and Northern Ireland
- ▶ The long-term effects of Brexit are anyone's guess