

Exit from Brexit? Not likely but uncertainty prevails

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Theresa May, who is set to become UK Prime Minister on Wednesday, has made it clear that “Brexit means Brexit”. Stating this so bluntly has become necessary as a number of voices have speculated that there may be a way back from the brink, claiming that the result of the referendum is not very decisive and that citizens have been misled by the lies of the Brexit campaign, not realising the magnitude of the decision. There certainly seems a wish in the Chancellery in Berlin and in some other capitals that Britain can be kept in, accompanied by a willingness to table compromises to smooth the process.

Keeping the options (half-)open might have also been a way of buying time for the UK government to find a way to reverse the decision. This might be behind the reluctance to trigger Article 50, although it is likely that tactical/negotiation considerations and a fear of personal consequences also play a role. But despite Theresa May’s unequivocal statement on Brexit itself, it is far from clear when she will trigger the Article 50 process. Her own comments seem to suggest that it will not be in 2016. But even with a delay and an uncertain process, the likelihood is strong that, in the end, Brexit does indeed mean Brexit.

A missed opportunity?

Is this a missed opportunity? Should the EU do more to keep the UK in? While exit from Brexit might have been a possibility, it is uncertain that there would be a Remain majority in Britain even now – and it would require a decisive switch to Remain to make it politically viable. Even if a number of Brexit supporters might be convinced to reverse their position, the majority is unlikely to be swayed. Some others might have switched to Remain in light of the result and the economic aftermath, but others would surely react to what would be perceived by many as an arrogant attempt by the establishment to ignore the will of the people – fuelling the anti-establishment vote that was a key factor behind the Brexit vote in the first place.

But even if there was a majority for Remain, it would be reliant on a fragile coalition held together by a single issue, while at the same time coalescing Brexit support around a hard core of Brexiteers, led by UKIP and Conservative Leave supporters. In case of a general election, this hard core might well form before the election takes place, able to challenge both Tories and Labour in some of their respective heartlands, especially as both mainstream parties are divided. Rather than producing a clear-cut result, it could further deepen the UK’s fragmentation, creating more costly uncertainty.

The long-term costs to British democracy of an exit from Brexit are serious, potentially undermining the political stability of the country. The exit from Brexit would prove all the populist and anti-establishment forces right, in Britain and elsewhere: those ‘up there’ will, in the end, always ignore the will of the common people if it is not in their interest. The strengthening of populist parties, the deepening of political fatigue among most of the population and an increasingly polarised society, including attacks on immigrants and other scapegoats, would turn Britain into a deeply troubled and unstable country. The self-inflicted wound of Brexit is painful, with long-lasting economic and political consequences, but an exit from Brexit might well prove to be a harder blow for British democracy.

What is in the interest for the rest of the EU?

Under those circumstances, the EU would also need to assess whether a rerun Remain (by referendum or general election) would be in the interest of the EU27: would the UK not become even more of an “awkward partner”, given the domestic turmoil that would ensue? An instable UK democracy with a large anti-EU party being successful in the polls and/or elections would also encourage populists in other EU countries, with citizens across the Union seeing their fears of the EU realised – an undemocratic, bureaucratic monster, which does not permit dissenting voices. Riding on the populist dissent, some governments might well be tempted to use referenda themselves to extract concessions from Brussels, although they would in this case also have to be ready to go for an ‘in/out’ referendum with all the risks this might entail. Rather than rescuing the European Union by keeping it intact, an exit from Brexit could splinter the Union from within.

A Realpolitik approach

When Brexit does take place in the end, most likely driven by domestic reasons that will not allow reneging on the original referendum result, the EU must ensure that this does not offer an example for others to follow. A political exit that provides the UK with the benefits of remaining economically integrated, for example as part of an ‘EEA+’ deal, but with concessions on free movement or sovereignty, could serve as a fatal example to others, in the end leading to a domino effect that would tear the EU apart.

A costly divorce would hurt the short-term economic interests of those who benefit from having the UK within the Single Market. There might also be an instinct to keep the UK close, especially for those that see the EU as predominantly driven by political reasons and as a guarantor of peace, so any degree of integration is better than the alternative. But for some countries and populations, driven by populist, anti-establishment parties, Europe is no longer a *Schicksalsgemeinschaft*, a community sharing a common destiny, but a project you might choose to opt in or out of according to national economic and political interests. A favourable ‘Associate Membership’ status for the UK with significant concessions on, for example, free movement and/or other issues could prove tempting, not only in non-Eurozone countries like Denmark and Sweden but potentially even for significant parts of the population in the core of Europe, such as the Netherlands and France, leading to larger anti-establishment voting.

While the Union can take a Brexit, a cascade of other countries leaving or Brexit-fuelled political instability in an important Eurozone country could fatally wound European integration. So rather than accommodating the UK’s wishes for concessions, the EU must apply a large degree of Realpolitik, defending the EU’s ‘national interest’ and holding the red lines of the four freedoms and exclusion from decision-making. This is a deal that might well be unacceptable for the UK but it is not driven by a desire to punish the UK. Rather it implies standing firm on the principles of the EU: in the end, if you choose not to be in the club, you cannot enjoy the benefits membership entails.

A deterrent but at a cost

If the (predicted and self-inflicted) costs of Brexit materialise – economic and political turmoil, potentially even a break-up of the country – this could serve as an example for many who are tempted by the false promises of the populists. This is painful for the UK and also to its partners in the rest of the EU but an attempt to reverse the referendum result against the will of the people or a favourable divorce settlement disrespecting fundamental ‘red lines’ would cause much graver damage – maybe even the disintegration of the European Union.

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