

Brexit: Stormy Weather for Britain

A hundred and fifty years ago British Prime Minister Lord Derby praised Benjamin Disraeli, Leader of the House of Commons, for taking a “leap in the dark” in 1867 by introducing the Second Reform Act, a positive measure that extended the parliamentary vote to the urban electorate. Today, a different kind of “leap in the dark”, negative in effect, has been proposed by British politicians who want British exit (Brexit) from membership of the European Union.

The decision of the British people on this issue, Brexit or Remain, will be made in a referendum on June 23, 2016 on the simple, but highly controversial question, “Should the UK remain a member of the EU or leave the EU?” There are a host of technical problems, legal complications, and both major and minor issues for voters to consider, but the central one is also simple: will Britain benefit or lose by exiting from the EU?

No one can answer this question, with its economic, legal, and political implications, with complete assurance. It is unclear in the event of Brexit what relationship the UK would have with the EU, especially since Britain cannot unilaterally prescribe the terms of a separation, and it is unpredictable what changes would occur in the EU itself. To take just one issue: what would be the impact of separation on free movement of people involving the 3 million EU-born residents working in Britain, and the 1.8 million with UK passports who work within the EU countries?

A number of factors are relevant for a rational unemotional decision on Brexit: the impact on the British economy, the issue of protection of British security in a world threatened by Islamist terrorism, possible disunion and fear of

disintegration within the UK , partly as Scotland may vote again and declare its independence and partly if Northern Ireland becomes politically unstable, and the degree to which British sovereignty may be changed.

The economic impact of Brexit on jobs and growth is uncertain. Undoubtedly, some Britons have lost jobs and industries have been hurt by globalization, freedom of movement of workers, and off shore activities.

In the ongoing political debate on Brexit there is a significant resemblance between British political opinions and those of current United States presidential candidates. The UK Independence Party (UKIP), founded in 1991, a right wing populist party, has a simple, uncomplicated, single issue program, exit from the EU. In the 2015 election it gained the third largest share of the vote, though because of the working of the electoral system it won only 1 seat in the House of Commons.

UKIP has been gaining strength because of increasing disenchantment with mainstream politics, comparable to populist expressions in both the Republican and Democratic parties, or Podemos in Spain. There are similar expressions of hostility to the "Establishment" by those who are, or feel they are, disenfranchised, politically disregarded, or excluded from the spoils of economic growth. For UKIP a vote in favor of Brexit would be Independence Day.

However, would UK be independent economically? Brexit is likely to mean less investment, especially foreign direct investment, troubling for Britain since its economy depends on capital inflows. Experts at Goldman Sachs warn that economic growth and the value of sterling currency would decline, by up to 20 per cent, with Brexit. Other experts, Mark Carney, governor of the Bank of England, Christine Lagarde, director of the IMF, and world leaders at the G20 meeting in Shanghai on February 26, 2016, all make the same point. Brexit would

alarm foreign investors. It would increase uncertainty at this moment of storm clouds in the world economy. The UK would be dependent on the "kindness of strangers" for the influx of foreign capital.

By exiting, Britain would not have the same access to Europe's single market and would have to renegotiate a large number of trade deals. At the moment the EU imports 45 per cent of Britain's exports, while Britain takes less than 10 per cent of EU exports. It is difficult to measure the effect of EU membership on trade patterns. In making trade deals, Britain benefits from the size of the EU market. It is unlikely that Britain could make satisfactory trade deals across the world quickly.

Understandably many Britons are concerned about the regulation, political, and judicial decisions, especially those of the European Court of Justice in Brussels. Britain has made clear that it will not accept the EU objective of an "ever closer union" proclaimed in 1957 before the UK was a member of the European Economic Community that was transformed into the EU. Though UK has accepted the 1992 Maastricht Treaty with its provisions for economic and monetary union, and aspirations for a common foreign and defense policy, few in UK ever approved of the idea of a supranational European state.

The issue of sovereignty is perplexing. Many in Britain are concerned that European courts may have higher priority over British courts and may have final determination of some issues. Parliamentarians are unhappy that EU regulations, now over 12,000, have direct impact on British affairs and behavior. Yet, independence in Britain, as in all other countries, is inevitably limited by rules made by organizations, such as NATO and the IMF, and trade arrangements that bind members. Not only is desire for complete sovereignty an illusion. Moreover, with Brexit, the UK, though nominally more independent, would play a lesser, not a larger role in many domestic and foreign issues, except

perhaps on immigration, a special problem for Britain.

Indeed, Brexit would also have two results. It would lead to a weaker Europe that would be bad for the foreign and security policy of the West, particularly in relation to the struggle against Islamist terrorism. In addition, the UK would no longer be a counter power to Germany that would then be the largest military power in the EU.

The EU is a very imperfect body, heavily bureaucratic in its effort to formulate acceptable common rules and unable to agree on a common foreign and defense policy, or to resolve pressing problems of migration, the Eurozone, and economic inequities among the countries. Yet, in this world of Islamist terrorist activities occurring or threatened in European countries, as well as in the United States, a "leap in the dark," Brexit, by Britain is not advisable. It would be harmful to both sides and risk the security of both.