

# The Brexit challenge for Britain and Europe

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## Abstract

Since the membership of the Great Britain in the European Union in 1973, the relations of Britain with the institutions and member countries of the European Union have been correct. The greatest problem of the Great Britain remains beyond any doubt the delegation of its "independence" in the European Union's structures. For the ultra conservatives was unimaginable that a country that has never been conquered (since the times of the Romans 55 B.C.) would deliver the proper sovereignty to a community of continental countries and above all to the Franco-German policies who, especially the last one, enjoys a great doubt among the British politics. The paper I present tries to explain the obstacles between British and European politics in historic, economic and diplomatic terms as well as the rise of skepticism among the European leaders themselves during the past decades following the end of the Second World War. In an academic approach, in this paper, between the research and comparative methods, I have been trying to get the maxims between European and British economy, politics and diplomacy in their efforts of affecting the policies of the European Union in the global era. Brexit of course represents the sharpest challenge of the moment for the Great Britain and the European Union in the global era.

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## 1. Introduction

Even today, it is not understandable why the former British Prime Minister David Cameron, promised in January 2013 the holding of a referendum where the British would express themselves by voting if they wanted to stay or leave the European Union (now on referred as EU) (Macshane, 2016, p. 2). Perhaps, the British prime minister would have never imagined that Brexit would prevail. Maybe he wanted to put more pressure on Europe and above all on Germany to obtain more concession in the benefit of Britain within the EU structures. In the European parliament, Great Britain has the same number of Members of Parliament (now on referred as MP- (78) as France and Italy. Germany is the only country with 99 MPs. Perhaps, this German domination was becoming disturbing for the voice of Britain in EU?

One of the reasons why the followers of Brexit wanted this, was because of huge amounts of money that were delivered to the Brussels cashboxes (Macshane, 2016, p. 2). Another point was that the British were against the migration policies adopted from the EU and they would not accept anymore foreigners to stay and work in Britain. For this reason, they wanted the referendum. In the XIX century, the British historian lord Acton, has described the referendum as the "*triumph of the democratic force over the democratic freedom*" (Macshane, 2016, p. 3). Before Brexit would occur, another referendum happened in Britain on September 18<sup>th</sup> 2014, for the detachment of Scotland from the United Kingdom.

The Brexit application, would bring not few enmity consequences between the EU and the Great Britain. The first ruptures have already started. After the result of the Brexit vote was made public, the British Prime Minister, David Cameron, made his resignation from the office public. Few days after, even the leader of the Labour Party, Jeremy Corbin, would pass the confidence vote within his political party. The governor of the Bank of Britain, Mark Carney, warned for "post-traumatic economic stress disorders" (Cadman, 2016). Meantime, the Economist Intelligence Unit warned the fall of the British economy by 6% until 2020 and raise of unemployment (Economist Intelligence Unit, 2016). Moody's consideration

for Britain fell from AAA since 1978 to AA (Kirchick, 2017, 154). The only consolation was that the young people had massively voted to stay within the EU. This because they were afraid that it would lose the basic freedoms: the freedom of the goods, human services and the capitals in the EU (Kirchick, 2017, p. 154). From here comes the question: perhaps the British voted to leave the EU for preserving themselves from the economic crises that was still present in Europe and in the world?

## **2. The factors of Euro skepticism and the position of the Great Britain towards EU**

The economic stability problem in Europe has been at the center for many tragedies and dilemmas during the past century. The establishment of a single European currency has been seen in Britain and not only from the euro skeptics as a hasty step (Macshane, 2016, p. 184). The economic difficulties of Euro zone and the lack of economic growth seemed to confirm this. Euro was not the principal goal of Brexit, but its internal crises, especially that of 2008. In the British point of view, nothing was done to encourage the Great Britain in its pro-European way (Macshane, 2016, p. 184). Ninety years ago, the French Prime Minister Raymond Poincaré has denounced the German politics that has not undertaken a single reform (Macshane, 2016, p. 184). Now, it's the turn of the Germans to warn Europe, especially France to pay attention to the national budget and to better control the public debt.

For Britain, was and is very difficult to accept the dominance of Germany over the continental issues. During the years of Lady Thatcher in power, the relations between Britain and EU saw some stability until her resignation in November 1990 (Lever, 2017 p. 62). Even after two decades of membership (Britain was accepted in 1973), the economic policies and their approach to one another failed. Britain joined the Exchange Rate Mechanism (ERM) in the 1990, but according to many British experts this was a huge mistake (Macshane, 2016, p. 189). Thatcher was followed by John Major in the post of Prime Minister, and the relations between EU and Britain worsened.

The British stance towards the single currency (Euro) has remained the same. In the Maastricht Summit in 1992, the Great Britain was granted to decide with the opt-out option, but in 1997, the Blair government adopted the "wait and see" politics. "Englishness" was very strong and many British

still make the distinction between "us and them", the Britain and the European continent (Herri, 2008).

Many years before the Schengen agreement has been signed, Denmark and Sweden have opened their borders since 1958 (Kirchick, 2017, p. 109). But, on January 4<sup>th</sup> 2016, this agreement was rejected. Why? This was because of the innumerable emigrants that were coming in Europe as a result of Middle East and North Africa crises. Following the change of borders policies, Denmark adopted controls in the border with Germany. Closed doors policy has given alarmed numbers in the end of 2015 (Kirchick, 2017, p. 110). One million emigrants came to Europe only from the Middle East, where the majority of them was from Syria (OECD, Migration Outlook, 2014). These waves of emigrants brought another concern; the clash of different cultures among the Europeans and those from Arab and African countries.

Chancellor's Merkel decision to welcome the refugees would have consequences all over Europe. She was not welcoming only one million emigrants in Germany, she was welcoming one million refugees in Europe. This for the reason that it doesn't matter if you are a tourist or an emigrant in the Schengen area. This brought another danger. The terror attacks in Paris, London and Brussels were carried by emigrants that were radicalized from Islamic State (now on referred as ISIS) (Failoa and Mekhennet, 2016). The emigration has raised the number of emigrants and this was seen as a solution to solve the economic problems. According to Christopher Caldwell that is a fine observation of continental emigration who stated: "*Europe has temporarily solved the economic problems through permanent demographic change*" (Caldwell, 2009, p. 35).

As far as the Eastern emigrants established themselves in the western countries, the comparing of cultures was the news of the day. This initially was seen in France, followed by the Great Britain and Germany who have not avoided the deep contrasts between the natives and refugees. One of the reasons why Europe welcomed many emigrants after the fall of the Berlin wall was because of their cheap labor. Another reason not less important was the fall of the number of the births in the Western Europe. In the 2016, this was compared with the Euro zone single currency crises. Two European economists Lars Jonung and Eoin Drea, in the 2009, at the eve of the Euro-trauma, put in evidence the motto of some American economists saying: "*It cannot happen, it's a bad idea, would not last*" (Jonung and Drea, 2009, p. 395). During the Euro crises, some American economists as

Feldstein insisted in their "prophecy" about the extinction of the single currency (Brunnemeier, James and Landau, 2016, p. 252).

These economic differences beyond any doubt would increase the euro skepticism in the Great Britain. Nearly two centuries ago, the British Prime Minister William Pitt-the young, has declared that England would save Europe by her example (Kirchick, 2017, p. 153). And he was not wrong. The French Revolution of 1789, began as a cause of the financial bankrupt of the old regime. After this, the European countries tried to match with the British example under the auspices of the Glorious Revolution of 1688 after putting order to the public finances (Brunnemeier, James and Landau, 2016, p. 257). Now, in the first decade of 2000, the debates over debts cancelation were focused on the precedent of 1953 called London Debt Agreement which turned into a reference point (Friedman, 2013). This argument was turned into a reference point for many Anglo-American economists who took into consideration the years 1923, 1932-1933, 1945, 1953 when Germany was unable to pay her repayments.

But the British euro skeptics forget that the reality is far more complex. In 1953, Germany was introduced in the Western system and in 1923 this was not possible and opened the way of Hitler's advent in power. The debt cancelation of 1953, was the only way to avoid that Germany become extremist once again. Europe in the Anglo-American concept shouldn't increase the worsening of the international financial crises. As history teaches us, Europe without the help of America cannot solve her problems.

### **3. The failure of the British political parties to deal with the euro skepticism**

After the establishment of the Great Britain in the XVIII century, in Europe was marginalized the idea that Britain was established as a single unit nation-state. In the first half of the XX century, England stood alone to European aggressive powers. As soon as the case of the European integration became topical, in Britain was opened the debate how this would serve the country and if it was worthy to be integrated within the European institutions. Thus, since 1945, no British politician or diplomat felt comfortable with the case to be or not united with Europe.

The British euro skeptics tended to see the European policies especially those initiated by former French president Charles de Gaulle, as less understandable for the European strategies. Those who were pro-European

in Britain blamed de Gaulle for his refusal for their country to join the European Union (Macshane, 2016, p. 36.). Another demonized figure for the British politics was by coincidence another French, Jacques Delors. But this is not the true reason why British have remained always euro skeptical. Today, the greatest enmity towards Europe comes from the conservatives (Macshane, 2016, p. 37). But the first refusal to be integrated within the European institution came from the labor government of Clement Attlee in 1945 (Macshane, 2016, p. 37.). If in France the Socialist Party never learned to become social-democratic, in Britain the Labor Party never learned to become European (Macshane, 2016, p. 37.). The future labor Prime Minister James Callaghan in a press conference openly defied Europe when stated that "to accept the Common Market was to turn the back to Commonwealth and America for a bunch of claustrophobic countries" (Macshane, 2016, op. cit., p. 37.) And in the end of the interview he added: *No, merci beaucoup* (Macshane, 2016, p. 37.).

The parliament in the Great Britain in all its history is based on its supremacy. For the sake of parliamentary freedoms, the British had executed on February 9<sup>th</sup> 1649 the king Charles I Stuart (Boriçi, 2010a, p. 60). In 1972, was the British parliament that opened the way for Great Britain to join European Common Market (Macshane, 2016, p. 71). Later, in 2003, was the British parliament who allowed Prime Minister Tony Blair to enter war at the side of US in Iraq, and was the same British parliament that in 2013 blocked the decision of David Cameron to bomb Syria.

The oscillations of the British pound and the self-expel of Britain from ERM outcast Britain from the European single currency. Two centuries ago, Karl Marx has stated that: "*History repeats itself, first as a tragedy and secondly as a farce*" (Jones, 2016, p. 191.).

During the first half of the '90ies, the British Prime Minister John Major, failed to show strong leadership for the European policy. But in those years, Europe has changed. From twelve have become fifteen members states. At the end his mandate in 1997, the Conservative Party has become deeply euro skeptic. Britain during the Greek crises has played a primal role but not as constructive and successful. The history of Britain's relations with Europe has always had its up and downs. The governor of the Bank of England, Mervyn King, declared that it was astonishing how the European economists lack to understand the situation (Kirchick, 2017, p. 268). Not few experts as Martin Wolf, Wolfgang Münchau, Anatol Kaletsky and

Ambrose Evans-Pritchard, declared that Euro was finished and was a matter of time that this fact becomes reality. 62 (Evans-Pritchard, 2010.).

Starting from 1997, the conservatives have a great responsibility of euro skepticism growth in the Great Britain (Kirchick, 2016, p. 269.). Also the former Prime Minister David Cameron has been closely connected with the euro skepticism spirit reigning in those years (Macshane, 2016, p. 109.). William Hague was the chairman of the party after the defeat of John Major in 1997. He lost his race for prime minister in front of Tony Blair in 2001, but was appointed as foreign minister in the Cameron's government in 2010 till 2014 (Macshane, 2016, op. cit., p. 109.). William Hague left politics at the crucial point when the Tories faced the problem they themselves created; the euro skepticism inclination.

In Britain, the euro skeptic press started a rough anti-European campaign. Taking advantage of one and a half million emigrants coming from the Middle East, Daily Mail paper didn't hesitate to write: *"European Union supports the assassins"* (Macshane, 2016, p. 118.).

In this time, Nigel Farage's party the United Kingdom Independence Party (now on referred as UKIP began to become very influential. Understanding the leak of its party members towards UKIP, Prime Minister Cameron announced his decision to hold a referendum for the country to express with a vote to stay or leave the EU. At the beginning, this was seen as a tactical move but unfortunately was too late to reverse it. The former conservative MP, Douglas Carlswell, that has joined UKIP, declared that "the exit of Britain from Europe was like detaching a body from the chains" (Macshane, 2016, op. cit., p. 109.). For the British Prime Minister this was very hard to swallow. He started a campaign to lower the euro skepticism within his country and party, but it was too late.

#### **4. Brexit referendum and its challenges**

It was visible that the British Prime Minister David Cameron would try to step back from his euro skepticism and to try harder to keep his country within EU. The political drama of the Great Britain begins in December 2012 when the negotiations for more compact fiscal bases started (Brunnermeier, James and Landau, 2016, p. 272.). In the beginning, Mr. Cameron was optimistic that such a treaty would bring greater possibilities for the Great Britain to change its relations with the EU (Brunnermeier, James and Landau, 2016, p. 272.). But, at the same year he for the first time

mentioned the possibility of Brexit (Brunnermeier, James and Landau, 2016, p. 272.). In a press conference, he openly stated: "All the possibilities for the future of Britain are imaginable. We are masters of our destiny, we can make our choices, but a British leave is not my preference. I think that the choice we should make is to stay in the EU, to be members of a common market, to enlarge our impact in Europe, but if we are dissatisfied with our partners we should not be afraid to raise the voice" (Kirkup, 2012.).

This was a clear message where the improvement of the British positions in Europe was asked. The referendum was to be held to match the people's thinking in Britain for Europe, but nobody was able to say what would have been the benefits or not from the referendum. In Europe, within some countries, such as Germany who has a stable economic system, the feelings for Europe are maximal. The speech of Mr. Cameron was not directed only to Germany but to all those countries that could help to give a push to the whole process. The Prime Minister speech was not welcomed from the British Assistant foreign secretary Philip Gordon, from the German foreign minister and from the Irish foreign minister (Brunnermeier, James and Landau, 2016, p. 274.).

For the Germans, chancellor Merkel *in primis*, Great Britain was considered as a strong ally towards the Latin inclinations (especially French ones) of the statist tendencies. From the German perspective, the British are committed towards the market principles. In the '80ies, Margaret Thatcher gave a new positive incitement to the European Common Market idea and her successors did the same. The hopes of the Latin members of the EU are mostly focused in the classic Realpolitik of balance of power with Great Britain as warrantor (Boriçi, 2010b, p. 3.). This idea was seen as an interpretation of history according to the British way and to resist any form of dominion in Europe starting with Charles V, Napoleon and Hitler (Brunnermeier, James and Landau, 2016, p. 274.).

But none of these arguments is convincing. Times have changed and also the Realpolitik. The emigrants from Eastern Europe have had a very negative impact for the English wages. (Brunnermeier, James and Landau, 2016, p. 275.). The British isolation in Europe was growing as a consequence of the future referendum. To outdate UKIP, was not easy at all because in the elections for the European parliament the result has been a catastrophe for the Tories. Finding himself alone nevertheless the tour he made in all the principal capitals of Europe, Mr. Cameron was forced to proclaim the

tenure of the referendum which was going to be held on June 23<sup>rd</sup> 2016 (Brunnermeier, James & Landau, 2016, p. 275.).

In Britain, UKIP party has presented Europe as the big demon who swallowed all the British jobs. The foreign workers were seen as a cultural challenge. It was all about the job thing. The word of some time ago said from Mr. Cameron that "*Britain would never be part of a Super European state*" seems to take shape (Politico, 2016.). Some European head of states, accused David Cameron as blackmailer and begun to openly say that for Europe it would be better without Britain. Charles Michel, the Belgian Prime Minister, said to him openly: "*If you want to leave, leave*". (Parker & Barker, 2016.).

After the Brexit referendum, on June 24<sup>th</sup> 2016, David Cameron announced his resignation (BBC, June 24, 2016). Some Brexit "disciples" called the victory in the referendum as a liberation from Europe and regain of sovereignty (Brunnermeier, James and Landau, 2016, p. 278.). But here lies a great "BUT". The United Kingdom is not a unitary state, but a compound state. The Union Act of 1707 who united England with Scotland and Wells is now in danger (Brunnermeier, James and Landau, 2016, p. 278.). In Scotland, on June 23<sup>rd</sup> 2016, 62% of the voters, voted to stay within EU. The Scottish Prime Minister Nicola Sturgeon, presented a plan how could Scotland stay within EU. Even in the Northern Ireland, the majority of the voters voted to stay (Brunnermeier, James and Landau, 2016, op. cit., p. 278.).

## 5. Conclusions

The problem with England is that it never had an authentic pro-European generation. In every moment from 1945 to our days, it had only some leaders, some intellectuals and some citizens that were spiritually connected with Europe. But this was not enough. Today, the relations Britain - Europe are at their lowest point. The result of June 23<sup>rd</sup> referendum brought another standard in the British policy; the policy of plebiscite. Never before this has happened. The leave of Britain from Europe would have serious economic consequences. At first we have to mention 350 million Pounds that the British government has to annually pay for the health that before were replenished from EU (Macshane, 2016, p. 238). Another black hole would be the loss of 700 million Pounds from the agriculture and the research from Erasmus foundation (Macshane, 2016, p.

238). At the beginning of 2017, it was made public that the financial loss of the city of London in the first six months after the Referendum was 120 trillion dollars. (Macshane, 2016, p. 250). Maybe the Brexit was a mistake?

The former British Prime Minister David Cameron entered history with a big failure. As three centuries ago, in 1776, the then Prime Minister lord North lost America, on June 23<sup>rd</sup> 2016, David Cameron lost Europe. Another thing to blame Mr. Cameron is that he turned the British policy from parliamentary representative to a populist plebiscite. He went against the tradition and lost.

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