Post-Brexit: Enter the Mini-Brexits?

By Frederick Kliem

SYNOPSIS

Great Britain and the European Union finally agreed upon their Trade and Cooperation Agreement. It was a long, arduous process. Although Brexit comes at a high social and political price, eventually, moderate Brexiteers got much of what they were looking for. What about the future?

COMMENTARY

HABEMUS PACTUM! The best news about the long elusive Brexit deal is that there finally is one. This alone is a big win for British Prime Minister Boris Johnson, who needed a political triumph.

Although Brexit and the divorce agreement came at a high price, Brexiteers got most of what they wanted. It is surprising just how much Brussels was willing to accommodate British requests.

Costly Triumph: Now For ‘Mini-Brexits’?

Brexiteers above all wanted to pull Britain out of the European Union single-market and customs union; unimpeded national control over immigration; and independence from EU legal jurisdiction, standards and regulations. They generally achieved all that.

A well documented and indeed obvious consequence of Brexit is reduced economic growth for Britons in 2021 outside the single-market. Yet, the UK-EU agreement provides for quota- and tariff-free market access, a relief for everyone bar the most hard-line Brexiteers.

The economic impact will be theoretically cushioned – perhaps eventually offset – by
a restructuring of British trade with new, independent trade agreements, which Britain can independently negotiate. London has already concluded 63 free trade (FTA) agreements, commenced official FTA negotiations with a further six countries, and are in ongoing talks with Australia, New Zealand and the United States.

Granted, many of those FTAs are equal or similar to the EU ones; but it was less the content of FTAs that mattered to Brexiteers than the sovereignty to negotiate or change them independently. The same applies to EU standards, which the UK no longer has to accommodate beyond the threshold already in place.

This certainly is a victory for Brexiteers, who de facto achieved what they had set out for. But Brexit came at a high price in form of a social levy, a demoralised society divided over Brexit, and now a British society perpetually stressed by a series of never-ending “mini-Brexits”.

These mini-Brexits include numerous matters that have been either shelved for now or insufficiently addressed. Both result in continuous public and political debates, legal challenges and re-negotiations, internally and with the EU, with the consequence that Brexit is not done and never will be – with all the societal tensions that come with it.

Mini-Brexit I: Devolution

The Northern Ireland (NI) question seems insoluble for now. Accordingly, the agreement’s compromise is unsatisfactory and ultimately unsustainable. In a necessary effort to avoid a hard border on the island of Ireland, NI will remain connected to the EU in manifold ways.

Economically, Brexit has de facto created a UK-internal “sea-border” with NI remaining within EU single-market and customs regulations, while the rest of the UK has left both.

Socially, the Republic of Ireland (RI) has declared it will provide grants to NI students to continue participating in the EU’s flagship student exchange programme Erasmus. Other UK students will, for now, not be able to benefit from this scheme anymore.

The relatively stable status quo ante on the island of Ireland has been unsettled by Brexit, now connecting NI to RI, via Brussels.

Likewise, the Scots – who overwhelmingly voted “remain” – go to the polls in 2021. Brexit will certainly be the main fault-line, and, while unlikely at this point, the spectre of Scottish independence will darken Britain’s political climate for years to come.

In combination, these double devolution issues severely complicate the “United” in the Kingdom.

Mini-Brexit II: Fishing

It is debatable whether there ever can be such a thing as a “sovereign coastal state”, but exclusive rights to British fisheries is what the industry expected from Brexit. The eventual compromise achieved only a marginally greater share for British fishers, who
are outraged and – correctly – feel that they have been sacrificed for other national priorities.

Economically negligible as this is, fishing carries disproportionate political and emotional weight. A deeply disappointed industry will continuously lament the implementation of what they see as a sell-out Brexit.

Because regulations will be re-negotiated annually after 2026, fishing will remain a perpetual issue, ensuring that Brexit will partly be fought again annually and not be forgotten anytime soon.

Road Ahead: Not Done Yet

While Brexiteers can claim victory from their perspective, Brexit is not done, and never will be.

Two economies so deeply intertwined and geographically adjacent will perpetually struggle in arbitration courts over the true meaning of the Brexit agreement and the issues left unsolved. As far as the NI and fishing disputes are concerned, this perpetual struggle has been written into the agreement.

In this light, it is difficult to see how Britain can ever return to a status quo ante – a time before the nationalistic, inflammatory, sometimes racist and xenophobic but at all times immensely divisive Brexit campaign created a societal discord that will be difficult to heal.

What It Means for Asia

For Asia, Brexit offers opportunities. We can expect increasing British interest in trade agreements as well as security cooperation. Several EU agreements, including with Singapore, have been rolled over, while others have been newly concluded or are being negotiated.

A significant one is the UK-Japan agreement. Not only does it represent a notable trade success for London, Japan will also support potential UK attempts to join the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) – one of the world’s largest free trade areas, and to which the EU is not a member.

Even if only to please the US, we can also expect an increased UK security presence in the Indo-Pacific. Next year, the new aircraft carrier HMS Queen Elizabeth, Britain’s largest-ever warship, is expected to kick-off what is supposed to become “Global Britain’s” increased Indo-Pacific focus.

In addition to bolstering Asian recognition of its middle power status, London may expect a favourable US reception of its security contributions, which the EU cannot match, and which may allow London to jump the trade negotiations queue with the US. Such are the windows of opportunity opened up incidentally by Brexit.

To some observers, Britain is returning to becoming the exceptional and ambitious island power; to others, this is naïve sovereignty nostalgia. Few things in politics are
ever one-dimensional. Brexit was always a double-edged sword, never entirely good or bad. 2021’s divorce agreement cements this ambivalence.

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