

THE HUFFINGTON POST

The United Kingdom Votes To Leave The European Union: The Meaning of Brexit

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June 30, 2016

The United Kingdom is set to exit the European Union. Nigel Farage of the United Kingdom Independence Party had declared: “Win or lose this battle, we will win this war. We will get our country back.” Average voters won both the battle and war against most of their nation’s political, business, cultural, and media elites.

The shock waves first hit home. Scotland’s first minister, Nicola Sturgeon, said another Scottish independence vote is “highly likely.” She said she would “take all possible steps” to keep Scotland in the EU. Nearly two-thirds of Scots voted to stay in the EU, far more than supported remaining in the UK in 2014. Then loss of EU access was a prime argument against independence. Next time a majority of Scots might see no reason to stay.

Northern Ireland, which also backed remain, will be left in an even more difficult position. Sharing a separate island with the Republic of Ireland, Northern Ireland will end up in a separate trading system. Although the largely Protestant north is unlikely to leave the UK for the mostly Catholic republic, calls have begun in the latter for an exit vote.

Both the Conservative and Labour Parties face bitter, internecine strife. Opposition Leader Jeremy Corbyn only tepidly supported the “remain” side, a position he was thought to privately oppose. The triumph of Brexit added to his parliamentary colleagues’ case against him, and calls have begun for his resignation. A leadership challenge seems likely.

Prime Minister David Cameron, his authority dissipated, did not wait to be pushed. Although 84 MPs who backed Brexit had affirmed their support for him, his position was untenable and he announced his resignation. The rest of his government is likely to be swept away as well. There will be pressure for a new election with the change in premier. All the while the government will be attempting to manage the complex process of disentangling the UK from the EU.

Unlike the EU, which makes people in member states vote as often as necessary to achieve its ends, London is likely to accept the result and begin to implement the non-binding referendum. The UK and EU must plan a process never before undertaken. Most important will be early negotiations over London's future economic and political association with the rest of Europe.

Other non-member European states have taken various approaches, though Britain might seek a status sui generis. The UK possesses the world's 5th and continent's 2nd largest economy, so Europe wants to trade with the UK as much as the latter wants to trade with the continent. The U.S., too, should welcome London as an independent trading partner.

However, some Eurocrats, representing the political interests which dominate policy in Brussels, have threatened to retaliate against the British vote by making the UK's departure as difficult as possible. French President Francois Hollande publicly warned there would be "consequences" from Brexit. French MP Elisabeth Guigou opined: "We will need to fight the centrifugal forces, to show that we can draw conclusions from Britain's decision."

For no obvious reason other than personal pique President Barack Obama took a similar position, telling the British people while visiting the UK that they would end up at "the back of the queue" for free trade negotiations with Washington. However, turning post-Brexit negotiations into a punitive expedition would harm everyone involved.

The impact of the vote will radiate across the continent as well. The UK already had the most opt-outs in the EU and Prime Minister Cameron won modest concessions from Brussels before the poll, while promising to press for additional reforms afterwards. Even that wasn't enough. Still the British voted to leave, making a dramatic statement to the rest of the EU's members.

Some Eurocrats imagine that dissatisfaction with the EU is a uniquely English phenomenon. For instance, *Politico's* Tim King contended: "This referendum is primarily a domestic political fight." It actually is much more. Observed Raoul Ruparel and Stephen Booth of London-based Open Europe: "a number of other states attempted to piggy-back on the UK's reforms, but this was resisted by others for fear of 'reform contagion'." In particular, Hungary, Poland, and Sweden applauded some of London's demands.

But reform may be harder to resist in the future. Cameron's insistence on an opt-out from moves toward a closer political union resonates across the continent. Brussels last dramatically expanded its authority through the Lisbon Treaty, which was the Eurocrats' workaround after France and the Netherlands voted down a formal constitution with the same powers. Only Ireland held a referendum on the treaty, though it had to vote twice to produce a yes. Such is the EU's infamous "democratic deficit," by which the Eurocrats always seem to get their way, irrespective of the desires of a half billion Europeans.

My Cato Institute colleague Marian Tupy pointed out that "the EU is undemocratic not by accident, but by design." This top-down approach appeals to those who use Brussels to impose

unpopular views on member states. Gilbert Ramsay of the University of St. Andrews argued that the lack of democratic control shouldn't matter because "the EU isn't actually a state, but rather a regional cooperation organization with a lot of bells and whistles attached." But this "regional cooperation organization" is assiduously seeking to become a state, and to do so whether or not those it would rule approve.

Thus, the British are not the only Europeans desiring to escape from the EU's smothering embrace. Czech Prime Minister Bohuslav Sobotka predicted that "debates about leaving the EU could be expected in this country in a few years, too." A majority of French and Italians and plurality of Danes and Swedes told pollsters that they want a similar vote. An astonishing 71 percent of Greeks and 61 percent of French have a negative view of the EU. Disapproval rates run in the high 40s in Germany, the Netherlands, and Spain. Continent-wide only 37 percent of Europeans have a positive opinion of the EU. Even in countries with a continuing positive majority, such as Italy, the numbers are down. And strong pluralities in most states polled favor returning more powers to national governments.

Moreover, populist and nationalist parties are likely to make EU membership an issue in upcoming elections. The political center has fragmented in Spain, which is voting on Sunday. The continent's other three most important countries, France, Germany, and Italy, will hold elections within the next two years. The National Front's Marine Le Pen said she would call an exit referendum if elected president. Germany's two historically dominant parties combined have fallen under 50 percent support while a Euroskeptic third party has broken into double digits in state elections. Rome elected a mayor from the anti-establishment 5-Star Movement, begun by a comedian, in a landslide over the ruling party's candidate.

The hard nationalist right barely missed winning the presidency in Austria. Euroskeptic parties are in government or bidding for power in Finland, the Netherlands, and even Sweden. The Dutch recently voted against an EU association treaty with Ukraine and populist Geert Wilders advocates a poll on leaving the EU. Economic hardship also has elevated Euroskeptics of varying degrees on the left in Greece and Portugal, and may do so in Spain as well. In Hungary and Poland autocratic, traditionalist conservative governments often find themselves at odds with the EU. The Hungarian prime minister plans to hold a referendum on EU migrant quotas. The Slovak government also complains of EU dictates.

Moreover, none of the seven nations formally committed to joining the 19-member Euro zone (the UK and Denmark gained a currency opt-outs when the Euro was adopted) fulfill the requirements despite their obligation to do so. All appear to be going nowhere fast. Although further expansion remains possible, Greece's travails have strengthened popular resistance.

The Brexit vote will exacerbate all of these trends. So too the inevitable indirect impacts of a British departure: enhanced German influence and reduced (classical) liberal influence against

economic intervention. Although there will be no mass exodus from the EU, any additional departures would further diminish the meaning of “European Union.”

Moreover, other governments are likely to push to regain authority or at least resist any further accretions of power to Brussels. The objective of ever greater political unity appears dead. Despite the constant incantation of “more Europe” and “European solidarity” in response to virtually every problem, the continent is fracturing, not uniting. Indeed, the migrant crisis has destroyed much of the European consensus that took decades to build. Last August seven of ten Europeans declared that the continent was moving in the wrong direction.

Obviously something has gone badly wrong. Karel Schwarzenberg, onetime Czech foreign minister, said “We in Europe have had the great opportunity over the last half-century to create a sense of common identity and interest—why throw that away?” Because a lot of people obviously aren’t pleased with the identity created and how it is enforced.

Some European leaders remain oblivious. There was strong resistance in Brussels to Cameron’s reform proposals as well as other nations’ attempts to win similar concessions. EU Commissioner Dimitris Avramopoulos recently argued “What we need in 2016 is more trust, more solidarity, more responsibility, more cooperation, more Union, more Europe.” Europeans, he added, “can only move forward collectively and United.” *Financial Times* columnist Wolfgang Muenchau argued that to abandon the objective of an ever-closer compact “would render absurd the whole idea of a European Union.” Yet ever fewer Europeans appear to desire this union.

In contrast, Donald Tusk, one of the EU’s three (!) different presidents—heading the European Council—admitted that “we must take a long hard look on the future of the Union” since it is evident that “ordinary people, the citizens of Europe, do not share our Euro-enthusiasm.” France’s ambassador to America, Gerard Araud, argued that “business as usual” is impossible: “Reform or die!” Germany’s finance minister, Wolfgang Schaeuble, said European peoples would view it as “crazy” to pursue further integration in response to Brexit.

What the EU desperately needs is a true “reform contagion.” If the shock of Brexit isn’t enough to get the Eurocrats’ attention, nothing will. The alternative to continuing continental consolidation would be genuine national cooperation, with rules limited to issues which member governments cannot manage. Admitted Jean-Claude Juncker, another of the EU’s presidents (of the European Commission): the EU is involved in “too many domains” where members “are better placed to take action.” The result, explained a Eurocrat who helped create the problem, is too much regulation and interference.

Painful as it would be to Brussels in light of Brexit, the EU should move “in a ‘British’ direction,” argued Vernon Bogdanor of King’s College London. At least the organization could allow multiple levels of integration, with different requirements for different states. Most important, instead of attempting to circumvent popular approval for the “European Project,”

Eurocrats should make their case for change and abide by the voters' decisions. That could result in what Justice Secretary Michael Gove, a Brexit advocate, called "the democratic liberation of a whole continent." Otherwise, those most committed to a united Europe risk being the greatest losers. "The specter of a breakup is haunting Europe," warned Tusk.

Americans also should take note of Brexit. After all, in the telling of Matt Ridley, a member of Britain's House of Lords, Brussels sounds a lot like we know Washington to be: its corridors "are crawling with lobbyists for big companies, big banks and big environmental pressure groups seeking rules that work as barriers to entry for smaller firms and newer ideas." However, the British just demonstrated that the people can resist the Leviathan state.

Perhaps a similar campaign could be launched in the U.S. A movement against turning ever more money and authority over to a distant capital largely disconnected from the people it so enthusiastically attempts to rule. We could call it "Amexit."

The UK long has been the fount of parliamentary government worldwide. Once again the British have lived up to their reputation. Average folks rejected expert opinion and economic special pleading in order to better govern themselves. Just as America's forefathers did against the British Empire so many years ago.

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