

A Short History of Brexit: Background, Process and Consequences

(Words in bold are explained at the bottom of the page.)

On 23 June 2016, 52% of British voters (with a 72% **turnout**), voted “Leave” in a [referendum](#) on continued membership of the European Union (EU). This *consultative* referendum started the process which led to the United Kingdom (UK) leaving the EU officially on 31 January 2020 at 11 pm, London time. The UK later exited the EU’s economic structures and regulations (notably the [single market](#) and the [customs union](#)) on 1 January 2021. This was nearly half a century after the UK, Ireland and Denmark entered the European Economic Community (EEC) in 1973, in the EEC’s first enlargement.

The causes of this decision are multiple, the process has been complicated, and at the end of 2022 it was still not finished with respect to Northern Ireland in particular. The consequences are many, far-reaching, and partly unknown.

Britain was always an “awkward partner” in the EEC/EU: Yanis Varoufakis has joked that the UK reminded him of an acquaintance at university who always came to parties only to complain about being bored.¹ Unlike continental Europe, Britain had emerged from World War II, **impoverished** but victorious: its democratic institutions **vindicated** by the historical struggle against Nazi Germany. Unlike other European countries, Britain was never especially interested in the EEC/EU as a peace and reconciliation project, nor in the aspiration of “ever closer union”. Unlike other European countries, joining the EEC was never part of the process of consolidating democracy in Britain, as it was in key founding members like Germany and Italy, later **entrants** like Greece, Spain and Portugal, and then the central and east European countries. “Europe” was always firstly seen as a free trade **endeavour**. This approach never really changed with time, especially as the quest for peace became less pressing over the years.

Following the global financial crisis and Great Recession (2007-2009), the Conservative-Liberal Democrat coalition (elected in 2010) pursued a policy of fiscal austerity, squeezing welfare spending and public services in particular. Growth **flatlined** and wages stagnated. At the same time, net inward migration rose to more than 300,000 per year in the two years before the referendum, while Europe experienced the major Syrian refugee crisis in 2015. In the meantime, in a move to push back rising Euroscepticism, Conservative Prime Minister David Cameron announced in January 2013 that his government would hold a simple, In-Out, referendum on the EU. In early 2016, having won a general election in 2015, Cameron announced the date of the vote.

It is generally said that the “Remain” campaign was poor, based mainly on what Leavers called “project fear”, the argument that leaving the EU would be catastrophic economically. By contrast, Boris Johnson and the Leavers promised that Britain would “take back control” of its laws, of its money and of its borders. The voices of “experts” who warned about the dangers of breaking up the very complex economic and legal links between the UK and the EU were swept aside by national-populist emotion – and dreams of creating a “**sunlit uplands**” Britain.

In the event, no one in government and politics planned for Leave to win: the only **adults in the room** were at the Bank of England, where [Governor Mark Carney stepped in to reassure financial markets](#) that the Bank was ready to ensure financial stability. By contrast, David Cameron resigned as Prime Minister immediately, and Nigel Farage, the reactionary leader of UKIP (the UK Independence Party) also resigned from the leadership of the party within days.

After organising a leadership contest, the Conservatives chose Theresa May as their new leader, who won the party leadership contest with the empty but reassuring slogan of “Brexit means Brexit”. She thus became Prime Minister.

In the following months, the May government decided Brexit meant withdrawing from the EU’s single market and customs union, as [Theresa May set out officially in a speech in January 2017](#). In his diaries of the Brexit negotiations,

Turnout: the number of people who turn out/go to/participate in an event. **Impoverished:** to be made poor. **Vindicated:** to clear of suspicion, to confirm. **Entrants:** newcomers, people who enter somewhere/enter a market. **Endeavour:** enterprise, undertaking. **To flatline:** to show a horizontal line, to be flat and not move or increase. **Sunlit uplands:** areas on a hill or at a higher altitude that are in the sun. Since the first Europeans settled in America, part of the American dream has been to “build a shining city on the hill”, imagery often adopted by Brexiters. **Adults in the room:** people responsible or mature.

¹ Yanis Varoufakis, *And the Weak Suffer What They Must?*, 2016.

the EU's chief negotiator Michel Barnier noted being "stupefied" by the "number of doors [she] shut, one after the other". Yet given the importance of stopping immigration from the EU, Theresa May really had little choice as freedom of movement is one of the four freedoms of the single market, with movement of capital, goods and services.

In view of the way the Leave campaign was run and the way the Conservative governments of Theresa May, and then Boris Johnson (elected leader in the summer of 2019 after May's negotiating strategy became **unstuck**), one wonders to what extent any of the senior politicians involved really understood what they were doing. **Tellingly**, Britain's first lead negotiator, David Davis, arrived in Brussels to start negotiations in June 2017 famously **empty-handed**: this followed his arguments during the campaign that London should turn to Berlin first and not Brussels, to reach a trade deal with the Germans, and German industry,... ignoring the fact that Germany could not negotiate unilaterally.

In the event, a Trade and Cooperation Agreement (TCA) was finally signed *in extremis* at the end of 2020, just days before the UK left the single market. While the TCA does allow trade in goods between the UK and the EU free from tariffs and quotas, it is generally viewed as a "**bare bones**" deal, only covering goods and not services. Moreover, it obliges UK exporters to make complex customs declarations and prepare for goods being inspected. These new arrangements have been catastrophic for small business in general, with many simply giving up exporting to the EU (for more on this, see the excellent *Financial Times* film [The Brexit Effect](#)).

For a long time, the Covid pandemic masked the problems of leaving the EU and its economic arrangements. Indeed, Britain's early success in rolling out its Covid vaccination campaign in 2021 even led to widespread hopes that [Britannia](#) had indeed been freed from the dead hand of Brussels' **red tape**.

But in the closing months of 2022, it became increasingly clear that Britain's economic performance [relative to the other major G7 countries](#) was **lagging**: while unemployment has indeed been low, real wage growth has stagnated since the referendum; Britain was the only G7 country whose GDP had not recovered to its pre-Covid level by the third quarter of 2022; its rate of inflation at the end of 2022 was over 10% and higher than inflation in the Eurozone; business investment had more or less been flat since the referendum, as was productivity growth, while exports to the European Union have been hit particularly badly (falling by about 15%).

In the meantime, the TCA's Northern Ireland (NI) Protocol is proving very hard to implement. Dealing with NI was always going to be one of the trickiest areas to settle, because of the need to keep open the border between the Province and the Republic of Ireland, as agreed by the Good Friday peace agreement of 1998. When he became Prime Minister, Boris Johnson conceded in discussions with the Irish Prime Minister Leo Varadkar that Northern Ireland would essentially remain within the single market, and that there could be customs checks on goods flowing from Britain to Northern Ireland, if these goods could move into Ireland, and hence into the EU. This meant that there would effectively be a "border in the Irish Sea" (i.e. between Northern Ireland and Britain), something that is an **anathema** to parts of Northern Ireland's Protestant community. To avoid political unrest, Britain has so far not fully applied the Protocol, even saying it would ignore the TCA and break international law if necessary.

There was an improvement in the **mood music** between the UK and the EU after another change in government in Britain; in late October 2022, when Rishi Sunak became the new leader of the Conservative Party and so Prime Minister. This followed the disastrous hard-line Brexit and ultra-neoliberal government of Liz Truss, who herself became leader following Boris Johnson's resignation in July 2022 after numerous scandals surrounding his **premiership**. But **the devil is in the detail** over **agrifoods**, VAT payments and customs checks for goods going into (and possibly through) Northern Ireland. It will not be easy to **square the circle** of keeping open the border within the island of Ireland and allowing free movement of goods between Britain and the Province.

Unstuck: unattached (here disorganised). **Tellingly**: something which tells, which reveals, revealingly. **Bare bones**: just bones and no meat. **Red tape**: paperwork, regulations. **To lag**: to fall behind. **Anathema**: a detested person or thing, something strongly rejected, reviled, loathed. **Mood music**: music played in the background to provide a mood (feeling) of relaxation and calm. **Premiership**: the office of premier (a competition among sports clubs). **The devil is in the detail**: the real difficulties are technical. **Agrifoods**: agricultural and food products. **To square the circle**: to try to solve an impossible problem.