

Five lessons from Brexit

Introduction: lessons from Brexit

Remember that scene in Shrek, when Donkey tries to figure out what an ogre is? There is, we learn, more to ogres than meets the eye. Like onions, they have layers.

Brexit, it turns out, is like an ogre. Leaving the EU was not simply a matter of ending the UK's membership – though Lord alone knows that turned out to be far more complex than many had assumed. It has also had consequences – some intended, some unintended, some wanted, some unwanted – and the lessons from Brexit will affect us for many years to come.

Brexit dominated political life in this country for the best part of four years following the referendum of 2016. It is hard to remember now, but in the brief period between the Prime Minister announcing he had 'got Brexit done' on 31 January 2020, and the total lockdown of the country 52 days later, it really seemed possible – despite the challenge of creating a trade deal in a little under 12 months – that our politics could finally move on.

That now feels unlikely. Despite Covid-19, Brexit continues to haunt us. And it will go on doing so: whether it is the ongoing struggle over the Northern Ireland Protocol, debates over the economic impacts of leaving the EU, or the potential to make use of the autonomy it has provided us with, the saga drags on.

All this makes it far too early to talk about Brexit being behind us. Yet it is perhaps not too soon to begin the process of what Peter Hennessy calls 'distilling the frenzy' – or, as Shrek might put it, to peel those layers away in an initial effort to elucidate some of the lessons from Brexit which we've learned these past several years.

Lesson 1: Breaking up is hard to do

During the referendum campaign and indeed afterwards, many on the Leave side stressed that Brexit would be a relatively straightforward affair. Yet having long complained that the EU was a political rather than an economic union that had entwined us in a legalistic and bureaucratic trap, the Brexiters should perhaps have paid more attention to their own arguments when considering the challenge of leaving.

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As anyone who knows anything about the EU and its impact on member states could have told them, Brexit was always going to be difficult and complex. The exit process – laid down in the infamous Article 50 – created not only a two-year timescale, designed to place pressure on the departing state, but insisted (as the EU demanded) that withdrawal – the divorce – had to be sorted out before anything else.

Before any negotiations could start on the future, in other words, the EU’s ‘sequencing’ insisted we resolve the past. It says a great deal about how much we learned along the way – and the difficulty of trying to do this without any guide – that the first issue to resolve – the money – which most people expected to dominate the negotiations, was settled with relative ease.

Money is never an easy subject in international negotiations. From Margaret Thatcher wielding her handbag to the £350 million on the side of the red bus, cash transfers to the EU had been a sensitive issue in both UK-EU relations and domestic politics. Yet a political agreement that meant the UK owed between £35 to £39 billion to the EU was quickly resolved. [The instructions](#) David Davis, then Brexit Secretary, gave to negotiators were that:

“You can go up to £40 billion but slowly, please, by the end of the summer, and tie it to what comes next.” I thought, well, maybe we can get round the sequencing by linking it ... Barnier got very angry several times, saying, ‘You cannot use our money to buy our compliance.’ We said, ‘It’s not your money,

Michel. We will decide whose money it is.’ And, to be fair to them, the Treasury did a good job on the haggling on that over the course of summer.”

The two sides also had to figure out how to deal with an estimated five million people (3.7 million EU citizens in the UK and 1.3 million UK citizens in the EU) who would be profoundly affected by the ending of free movement.

Theresa May – realising too late how little collateral the UK had – attempted to use the citizenship of EU citizens settled in the UK as a bargaining chip. In the process she received what her Chief of Staff, [Gavin Barwell](#), describes as ‘a lot of domestic political flak’, generated, in a sign of things to come, as much from Leavers as from backers of Remain. Nevertheless, a deal was signed off relatively early and relatively easily.

As a result, as summer turned to autumn in 2017, Barwell recalls that Downing Street was “looking ahead to thinking about what kind of future relationship we wanted”. Deputy Chief of Staff, [JoJo Penn](#), recollects a conversation in which she said:

“Look, we’re nearly there on the money and the governance. We’ve had these big rows and I think we’ve got to a place where we can sell it. All we have is Northern Ireland, but that will be fine.”

Recollections vary about when, exactly, an issue which had barely registered in the national political conversation in June 2016 became the central tension in Brexit negotiations. But the question of the Irish border gave lie to the idea – existing as much in the minds of Leavers as in the EU’s negotiating mandate – that we could quickly and neatly tie off loose ends before discussing what our relationship would look like in years to come.

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It became increasingly clear – and is [clearer than ever now](#), five years on – that the future of Northern Ireland was inextricably tied to the type of trading relationship the UK and the EU would end up agreeing. It was a question, you

could reasonably say, about the future – even if its roots lay in the past.

Lesson 2: Divided we flail

Quitting the EU would have been a devilish task even in the most stable political circumstances, with a clear-sighted Prime Minister enjoying the support of a large and unified parliamentary majority. Yet neither of these conditions held.

Theresa May was elected leader of the Conservative Party and consequently Prime Minister without a full leadership contest. Both the choice to appoint May as Prime Minister and the manner in which it unfolded were to have significant consequences.

The absence of a proper contest meant three things. First, that no candidate had to spell out their vision of Brexit for approval by the Party. Second, that the candidate eventually selected therefore lacked the legitimacy – from both the parliamentary party and the party membership – to pursue and implement their vision. And third, that very little hard thinking had been done on the policy itself.

On the day he accepted the job as Chancellor, [Philip Hammond recalls](#) sitting in the Cabinet Room and having his first conversation with the newly appointed Prime Minister:

“The only other person in the room was Fiona Hill (May’s then Chief of Staff). I did ask her about Brexit, and she said to me, ‘Brexit means Brexit.’ That was it. That was the only discussion we had about it.”

The *sotto voce* Remainer Home Secretary turned Prime Minister quickly concluded that the politics required her to prove her *bona fides* to the true believers in the Tory party and the country. Hence her fateful first speech to the Conservative Party conference in October 2016, in which she stated her intention to leave the single market, thereby tying her hands in the negotiations to come. If [Hammond](#) had needed clarification about the government’s direction, he now had it, and was:

“Absolutely horrified by what I was hearing. All I remember thinking was, ‘There will be a television camera that will be on your face. If you move a

muscle, it will be the story on the front page of every newspaper tomorrow ... I was completely and utterly horrified by what I felt was almost a coup: a definition of Brexit without any proper Cabinet consultation at all."

Yet, even then, this was not reckoning with the real trade-offs. In her second speech at that same conference, the Prime Minister was explicit in saying the UK would have an independent trade policy. Shortly afterwards, she met with [the UK's Ambassador to the EU, Ivan Rogers](#). "You've made a decision" the mandarin told her, "This gives me clarity. I can work with this. We're leaving the Customs Union." The Prime Minister's response? "I have agreed to *no such thing*."

The concept of cabinet government and collective responsibility seemed to die under May. By summer 2018, she was struggling with a lack of internal support for her Brexit strategy. After a crunch meeting at Chequers, Brexit Secretary David Davis resigned. Boris Johnson, May's Foreign Secretary, reluctantly joined him.

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The Cabinet Secretary [Mark Sedwill](#) says that, from then on, "there was an expectation that collective responsibility should be restored. If ministers couldn't live with it, then they had to go". In retrospect, this was a defining moment in the campaign by hardline Brexiter Tory MPs to force May herself to go.

The deal negotiated by May and her team achieved a significant amount: tariff-free access to the EU along with the potential for broader alignment that made for an effective single market in goods. More specifically, it is hard to see in policy terms how her proposal fell short of what the Labour Party were demanding as the price of their support. Yet short-term politics prevailed. As [James Schneider](#), Corbyn's Director of Strategic Communications, recalls:

"I think we thought there was a chance the Government could fall apart. That probably did over-determine our strategy to do with Brexit. Because we thought 'Maybe we can bring down the Government in some way, so we need to help construct the maximal coalition against May's deal from Jacob Rees-Mogg to

Caroline Lucas' ... Possibly, in hindsight, that wasn't the right idea. The right idea would have been for the Government to fall after some form of Brexit."

The result of this unholy alliance was that, when May's deal was eventually put to Parliament in a vote, she suffered the biggest defeat for a government in the House of Commons for **at least 100 years**. Then, a few weeks later, the fourth biggest defeat for any government since universal suffrage. By the time that the Prime Minister had secured a deal with Brussels, few in Westminster were in the mood for a grand bargain.

Yet instead of reaching across the Brexit divide as May hoped, or collapsing into an election as Corbyn envisaged, Parliament became a circular firing squad. Those in the Labour Party opposed to Brexit, in coalition with Conservatives and other fellow travellers, did their best to kill off options for a soft Brexit.

Many opponents of Brexit refused to back soft Brexit options during the indicative votes in April 2019. Parliament, it seemed, could agree only to not agree when it came to the modalities of leaving the EU.

Rather than revealing the underlying dysfunctionality of the institution, however, parliamentary stasis accurately reflected the state of opinion in the country as a whole. Throughout the Brexit process, the British people remained as divided by the issue of leaving the EU as they had been on that fateful day in June 2016.

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Whilst the proportion of those who thought leaving was the 'right' or 'wrong' decision fluctuated over time, the country remained split (roughly) down the middle – by mid-2018, two years after we had voted to leave, **only six per cent** of the country did not identify with either the 'Leave' or 'Remain' sides of the debate, and very few people at all who voted in June 2016 had changed their minds.

Lesson 3: We're a complex country

Of course, one reason why positions became so polarised was because the Brexit process itself dragged on for so long. This was partly a result of the constitutional complexity of the UK, not least the situation in Northern Ireland.

The UK had three mutually incompatible objectives: an exit from the single market and the customs union; no hard border on the island of Ireland; and an all-UK approach to Brexit. The difficulty in resolving the tension between these objectives came to be known as the 'Irish trilemma'.

Imposing a border on the 310-mile frontier between Northern Ireland and the Republic threatened a return to sectarian violence. However, treating Northern Ireland differently from the rest of the UK would not only create the kind of problems with which we are now becoming all too familiar but was, [according to Theresa May](#), something to which no British Prime Minister could ever agree.

Yet the only alternative – remaining in the single market and the customs union – would lead to accusations that the Brexit vote was being frustrated. The trilemma haunted the negotiations and continues to do so to this day.

That the complexities around Northern Ireland were not flagged earlier speaks to a lack of expertise within the British state about the workings of the territorial constitution. As former senior civil servant Philip Rycroft [puts it](#), it is “quite extraordinary how little Whitehall understood about its own country”. But the constitutional conundrums thrown up by Brexit go further than simply Northern Ireland. As [Ivan Rogers observed](#), this meant:

“a whole load of people who’ve never thought seriously about any of these questions before being confronted with massive radical institutional change, which involved changing the construction of our own state to resume control over things that we hadn’t fully thought about for 45 or 50 years.”

The biggest change in the structure of the UK state in that intervening half-century had been devolution, and the creation of parliaments and governments in Wales and Scotland. That devolution process was predicated on EU membership, without anyone even realising it. EU membership had meant that different governments could coexist under the blanket of the single market.

Once that blanket was removed, the UK began to realise that its own internal market needed a shared set of rules.

Suddenly, once purely academic questions about where power resides, and how much respect should be given to the mandates of the governments in Holyrood, Cardiff and Stormont, became incredibly practical and immediate. This institutional friction, matched by the political heat created by Brexit, sparked what were often heated disagreements between the UK's governments.

But, just as often, there was a feeling that there was no conversation being had at all. Mike Russell, who led the SNP government on Brexit, [remembers](#):

“a famous meeting of the Joint Ministerial Committee at which there was no room booked for the meeting. We had to sit in the House of Commons cafeteria for the first half hour, while they tried to find us a room. This sort of chaos was not uncommon.”

As Westminster reacted to the implications of Brexit by seemingly attempting to roll back the powers of the devolved Governments (the Internal Market Bill was characterised by many in [Wales](#) and [Scotland](#) as a ‘power grab’) this had knock on implications for the politics of devolution. The SNP used the fact that Scotland was being ‘taken out of the EU against its will’ to argue in favour of a second independence referendum.

The May government retorted that the search for practical solutions was going to be impossible if the SNP treated every decision according to whether it furthered their goal of Scottish independence. That both arguments had merit did not help the search for solutions much good.

It is no coincidence that some of these political battles ended in the courts, just as it is no coincidence that the ending of the supremacy of EU law coincided with a wider debate over the appropriate nature of rights and the role of the judiciary in our constitutional system.

Unlike most countries, the UK does not have a codified, written constitution. Consequently, the nearest thing to constitutional law enjoying a special status and not capable of being overturned by parliament was EU law, which of

course could not be altered at the behest of a single member state. EU law, in other words, served to entrench certain rights beyond the reach of a simple parliamentary majority. These are all issues over which Brexit will [continue to cast a shadow](#) for the foreseeable future and we will undoubtedly learn even more lessons from Brexit in this regard.

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What this means is that, ideally, we would now begin a serious debate about the fundamentals of our constitutional system. Yet there is a paradox: the fact we somehow reached a (partial) resolution on an issue as complex as Brexit strengthens the argument of those that say this system always finds a way of slowly, messily, ‘muddling through’. One of the lessons from Brexit here may be that in our complicated country, there is no single constitutional cure.

Lesson 4: Trade really matters

And then there is the issue at the heart of Brexit: the way the UK and the EU trade. The UK never tended to talk about trade beyond the abstract. Partly this was because we didn’t really have to – the EU took care of all that kind of stuff for us. Partly, too, it was because the British – and we’re far from alone in this – never really understood the degree to which we depend on trade and how trade actually works.

We have learned some stark lessons from Brexit, not least in terms of understanding what EU membership meant and what exiting the single market and customs union might imply for the British economy. The evolution of Theresa May’s thinking – from the bright red lines of her party conference speech of 2016 to the far ‘pinker’ shades in which those lines were drawn at the time of Chequers – in part reflected her own dawning realisation of the potential economic consequences of Brexit.

And as those consequences have started to bite, so, too, have the lessons from Brexit been more widely learned. CBI representatives would confide just how many CEOs had spoken of ‘steep learning curves’ as they were made aware of the international nature of the supply chains on which their businesses depended. Indeed, many businesses watched the Brexit process

unfold with horror. [Adam Marshall](#), Director General of the British Chamber of Commerce throughout the withdrawal process, recalled how:

“an announcement was made about the direction that we were going in, and then my business communities would look up and say, ‘But have they considered any of the detail?’ The carmakers of the West Midlands and the North East were saying, ‘Have they considered what this means for integrated supply chains across the continent?’ The service providers, the financial services sector in the city or professional services all around the country, were going, ‘What does this mean for passporting arrangements?’”

And, as the predicted impacts of Brexit have fed through into the real economy, we are all beginning to learn about the relationship between trade and domestic prosperity. According to [estimates from John Springford](#), an economics researcher at the Centre for European Reform, British goods trade in September 2021 was 11.2 per cent, or £8.5 billion, lower than it would have been had the United Kingdom stayed in the EU’s single market and customs union.

Looking ahead, the Office for Budget Responsibility has [estimated](#) the aggregate medium-term impact on British GDP to be a reduction of four per cent. Other modelling, such as that the [UK in a Changing Europe](#) conducted with the London School of Economics’ Centre for Economic Performance, put the impact at somewhere between 5.8 and 7.0 per cent.

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Clearly, given the enormous impact of the pandemic on the performance of the UK economy, it has proven difficult to disentangle these effects from the initial impacts of Brexit. That said, it would be naïve to suggest, for instance, that the current labour shortages being experienced across the economy, particularly in sectors that previously employed a high number of EU nationals, are unconnected with the decision to leave the EU.

To place things in context, the LSE modelling referred to above suggests that, over the medium term, the hit to the size of the UK economy from Brexit will

prove to be two to three times as large as that of Covid-19. If nothing else, Brexit has provided us with a unique real time natural experiment on the impact of trade and immigration on the domestic economy.

Lesson 5: We have looked in the mirror

Finally, we have been (and are still being) taught a series of lessons from Brexit about what matters to us, what issues divide us and, indeed, how divided we have always been.

It gave us labels – Remain and Leave – that, to many, were about far more than how they voted in the referendum. Rather, the two sides were divided not – as in the political debates of the past – by their attitudes towards taxation, or redistribution, or over the appropriate size of the state, but rather by their worldviews.

Space precludes a detailed discussion, but here's one example: in 2018, YouGov found that whether or not someone liked the BBC sitcom [Mrs Brown's Boys](#) told you nothing about how they voted in the general election, but was a strong predictor of whether they backed Leave or Remain. And, whatever their foundations, those two sides – Remain and Leave – have long outlived the referendum. Around two thirds of us continue to identify with one side of this divide or another.

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But Brexit, while rooted in values and culture, also reflects [socio-economic divides](#). Many people, unforgivably, were unaware of the levels of inequality in British society. Now, the public say regional inequality is the type of social inequality that [concerns them most](#).

Issues like the unequal provision of transport infrastructure, or variable levels of regional productivity, were simply not part of mainstream political debate before 2016. But they should have been.

The average worker in the south of England produces seven per cent more than her German counterpart. In the rest of the country that figure is 22 per cent less. The referendum result, in part, represented a howl of rage against a system that was seen to be failing too many.

And, for those willing to listen, some of the big lessons from Brexit are about our politics. It taught us about how remote Westminster feels for people outside the South East, and about frustrations over a lack of control partly due to EU membership, but also rooted in the belief that London simply doesn't listen. It is a stark fact that the further you are in miles from Westminster, the less likely you are to trust MPs.

One reason why grim predictions of the consequences for aggregate GDP of a vote to Leave were so nonchalantly ignored was a belief that the status quo was rigged in favour of the South, and shaking it up was therefore something worth voting for.

Brexit forced us to look in the mirror. To realise what kind of country we lived in. And, whatever its other implications, one has been to usher in a profound shift in the nature of our political debate. A shift that could and indeed should have happened before, but which ultimately required a seismic shock administered to our political class to bring about.

Imagine Conservative Prime Ministers of old contemplating the 'just about managing', or discussing 'profound inequalities' and the need to 'level up' the country.

And next?

Brexit of course, is not 'done', and we aren't done learning lessons from Brexit either. There are outstanding issues to be settled over Northern Ireland – issues that could undermine even the loose trading arrangements negotiated by Boris Johnson. Events – most notably the Russian invasion of Ukraine – will help determine the degree to which the UK and its EU partners can, must and do work together.

After all, even if the relationship were a smooth one, even if the UK had left on the best of terms with its erstwhile EU partners and with the Trade and

Cooperation Agreement widely accepted on both sides, the EU would still loom large in our debates.

Like it or not, those condemned to live beside a continental sized economy are fated to spend much of their time following developments within that economy. It doesn't require a trade war for the Canadians to fret about the US.

But of course, the relationship is far from smooth. And it has intruded decisively into our politics. The redrawing of the political map since 2016 is largely down to the conflict between rival 'worldviews' shaping voter choice as much as between 'left' and 'right'. There is no guarantee that the politics of post-pandemic life or the shift to electric vehicles will divide the public in the same way that Brexit and the transition period did.

The consequences of and further lessons from Brexit will be determined by external forces beyond the UK's control. But the extent to which the rival Brexit camps continue to do battle will also rest in part on the fate of a Prime Minister who rode to victory on the back of his ability to assemble a Conservative-voting coalition of Leave supporters.

And so, we have layers upon layers to peel back. There will, of course, be further unpeeling to do as we continue to learn lessons from the Brexit process and as its implications for, *inter alia*, the UK's place in the world, the future of Northern Ireland, relations with European partners, and indeed the future of the EU itself are revealed. Ogres, indeed, are complicated creatures.

By Anand Menon and Alan Wager, UK in a Changing Europe.

This article is partly based on a lecture delivered by one of the authors at Gresham College, London on the lessons from Brexit which can be accessed [here](#).

This article draws on the UK in a Changing Europe Brexit Witness Archive. You can explore full transcripts of the interviews, with over 50 key figures who helped shape the Brexit process, [here](#).



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