



## Britain Needs to Swallow Their Pride and Make a Deal with the EU

By Michael Magnani

In what has seemingly felt like a lifetime of talking about ‘life after Brexit’, we will finally see the United Kingdom fully remove itself from the European Union later this year. When Britain formally left the EU on January 31<sup>st</sup> of this year, a transition period was opened where Britain would stay in the EU’s single market until December 31<sup>st</sup>, giving them time to hash out a potential trade deal between the two parties. This was necessary, as Britain’s largest trading partner was the EU and vast amounts of goods are shipped between the two parties daily. There was some hope that Britain and the EU would finally sit down and cobble out a deal between themselves before the deadline hit, but the COVID pandemic put much of a halt to that.

That takes us to where we are today. On October 16<sup>th</sup>, British Prime Minister Boris Johnson, an ardent Leave supporter, [called off any further talks with the EU](#). Much of this is to do with the EU resisting the type of agreement the Prime Minister and other members of his government seek. The economic consequences of not having a trade deal in place come December 31<sup>st</sup> will be catastrophic. Britain’s economy is already weakened because of COVID, and leaving the single market without a deal would only exacerbate that. Moody’s, a credit rating agency, [lowered Britain’s credit status](#) because of this potential uncertainty coupled with a weak economy due to COVID. All of this is why the Prime Minister, his government, and Parliament need to swallow their pride and strike a trade deal before the deadline passes and their economy truly craters.

Ever since the British people voted to leave the EU in 2016, there has been a sect of British politicians who have fancied this utopia where Britain rightfully returns to her place atop the world’s hierarchy of countries. They imagine a thriving Britain, finally free from the shackles of regulation and oversight from Europe, where capitalism thrives in its purest form. A deregulated, lightly-taxed, free trade juggernaut was what they talked of. There was even talk of this ‘[Singapore-on-Thames](#)’ idea when it came to London. But this simply isn’t the case. According to the RAND Corporation, a think-tank, the ten years following Britain leaving without a trade deal in place would reduce GDP by 5%. That is the equivalent of over \$140

billion dollars. [90% of British goods](#) that go to the EU would be subject to tariffs if there is no deal. These goods range from agricultural and dairy products to cars. This would in turn affect a lot of British companies, as 46% of British exports go to the EU. British consumers would also be affected, seeing prices rise on goods imported from the EU that are subject to British tariffs since 53% of

British imports come from the EU. Truck drivers going each way across the English Channel would be greeted with new customs checkpoints that they hadn't seen in the past. London's status as an international hub for finance and other services would be threatened. Britain would also have to negotiate new trade agreements with other countries, such as the United States, that had trade agreements in place with Britain via the EU. You'd be hard pressed to find any positive economic outcomes stemming from a no deal Brexit.

Beyond the potential economic ramifications of a no deal Brexit, there are political and social ones as well. Scotland, which voted to remain in the EU [overwhelmingly](#) in 2016, could again look at the possibility of independence from Britain. Ipsos, a pollster, recently conducted a [poll](#) that showed 58% of Scots now support Scotland becoming their own independent country. This would fracture a union that has been in place since 1707, not to mention the countless economic, political, social, and military consequences of an independent Scotland. The fate of Northern Ireland would also be a potential negative consequence of a no deal Brexit. If the EU and Britain cannot find commonality on the issue of the border between Ireland (an EU member) and Northern Ireland (a part of Britain), we could see a renewal of the Troubles that plagued Northern Ireland for almost 80 years. The United States has also come out and said it will not engage in trade talks with Britain if the Good Friday Agreement, which ended the Troubles, is threatened. Britain's current government's plan around this would be to enact a hard border in the Irish Sea between the two isles, keeping the Irish border free of any customs control and hopefully keeping the peace. This would effectively split the country, as goods from Northern Ireland going to Britain and vice versa would be subject to customs, even though they are the same country. All of this could also bring about a renewed push to unite the island of



Ireland under one government. Many people had this idea that Britain post-Brexit would reclaim its historic importance atop the global order, but a fractured union and a potential return of sectarian violence would only accelerate what has been a gradual decline.

Prime Minister Boris Johnson, his government, and Tory members of Parliament need to swallow their pride and accept the fact that not having a trade deal in place come December 31<sup>st</sup> is a poison pill for Britain. The economy would not be better off, Britain would not see a return to her Pax Britannica days, and a fractured union would potentially become reality. If the Prime Minister and his government cannot get this done for the sake of the nation, he should resign and a parliamentary election should be called so the British people can decide on who leads them into this new era.