

# The Prime Minister has confirmed that Brexit is a step towards irrelevance



*The medieval economy of Plantagenet England depended a great deal upon trade with the Republic of Florence for its vitality. During the 14th and 15th centuries, Italian textiles, dyes, raw materials and garments infused new life into an economy still reeling from the effects of the Black Death. It was auspicious that the Prime Minister should choose Florence as the location for a speech which, through a series of Brexit concessions, underlined the British government's weakness in the negotiations and sketched the contours of a new era of economic dependence on Europe. **Michael Cottakis** (LSE) asks whether Theresa May's Florentine visit is a step towards*

*irrelevance.*

When Theresa May selected Florence as the setting for her major speech on Brexit, she did so for its cultural and historic significance. In the birthplace of the Renaissance, the Prime Minister hoped to regenerate the Brexit process by striking a conciliatory tone and appealing to both sides' sense of economic rationality. In practice, the Prime Minister outlined a series of concessions, which, while light on detail, paint some picture of the direction the Brexit negotiations will now take. Unintentionally, the speech also sets the tone for the longer-term relationship between Britain and the EU.

Broadly, the following conclusions can be drawn:

1. **A deal is unlikely to be reached by 2021:** The purpose of the proposed two-year transition period is to buy time for the government to agree – what it hopes – will be a bespoke trade arrangement. Yet, the complexity of this deal would dwarf any that the EU has yet agreed. The most intricate trade arrangement involving the EU is with Switzerland. This took a full eight years to agree and ratify. For Britain – a larger country with a more diversified economy – this would take considerably longer. To pre-empt this obvious criticism, the Prime Minister suggested the inclusion of a so-called 'double-lock'. In theory, this means that after 2021, the transition period could not be further extended. However, in the likely context of 'no deal', pressure for an extension would be intense. This promises to be the hot topic at the next elections. There is also the question of logistics. Single Market membership affords automatic free trade access to 60 countries globally. Failure to replicate these would be to hinder British trade. But to do so would require a particularly time-consuming bureaucratic effort, for which Britain is unprepared. Britain has not negotiated an FTA since 1973 and lacks the technical expertise to effect something of this scale, so soon. Together these factors would suggest a period of negotiation longer than the four years now earmarked.<sup>2</sup>
2. **Trade may, yet, come first:** The Prime Minister again indicated her preference for 'no deal' over a 'bad deal'; and made allusion to the primacy of the immigration question. Yet this would seem irreconcilable with the demand for a transition period. Rather, it suggests a realisation within the cabinet that the economic costs of losing Single Market access will be prohibitive. By raising trade barriers with its main trading partner, the UK would experience a negative supply shock, with ruinous implications for its competitiveness. Such a measure would weaken the productive output of the British economy and thus run contrary to the national interest. The implications of such a choice would become clearer to voters the longer the Brexit negotiations drag on, presaging a shift in public opinion. As these costs become clear, British voters may prove the major obstacle. Like a Giotto fresco taking shape, the picture is emerging of a Britain struggling to effectively disentangle itself from the Single Market.
3. **Britain will continue to supplicate:** Since negotiations began in June, the EU has remained steadfast in its positioning on Brexit. Britain, on the other hand, has taken several steps in the direction of concession. First is the question of money. By agreeing to meet its EU budgetary obligations throughout the transition period, the government has paved the way for further concessions on the divorce bill. Next, comes the sequencing of negotiations. The Prime Minister had demanded to discuss divorce and trade in parallel, yet was forced to back down. Now we see attempts to buy time, despite previous allusions to the desirability of a fast Brexit. These concessions shed uncomfortable light on the relative strength of the two sides. Leading Brexiteers have long argued that the EU lacks the unity to exert pressure on Britain during the negotiations. In truth, the 27 member states appear more united on Brexit than the British political class. Britain, in the

face of the EU's collective clout, has been exposed for what it will increasingly become after Brexit: a weakened power in the international system, reliant on a neighbouring block, over whose laws it holds no sway.



Scene from a Giotto fresco at the Scrovegni chapel, Padua. Image: [Michael Jones](#) via a [CC-BY-NC-SA 2.0 licence](#)

It was designed for a different purpose, yet the Florence speech exposed an uneasy truth: that the Brexit vote has reduced Britain to the status of supplicant vis-à-vis its largest market. If Florence offered a vision of Britain's status in a post-Brexit world, it is one of increasing dependence. Just as Plantagenet England looked to Florence and Italy in the late Middle Ages, modern Britain will continue to rely on Brussels and the EU for its economic sustenance. In an era of large trading blocs and economic interdependence, this should involve no shame. However, with Britain choosing to leave the EU, it has reneged on its right to influence and shape the trade policies that will govern it tomorrow.

### **the Brexit vote has reduced Britain to the status of supplicant vis-à-vis its largest market**

The absurdity of Brexit is that all future arrangements will leave the country worse off than now. A quick-fire, hard Brexit – i.e. leaving the Single Market and customs union – represents the worst outcome of all. Long after the legal date of Brexit and any free trade agreement is signed, the EU will continue to represent Britain's largest market. This is a question of geographic and geopolitical certainty. Hard Brexit will hinder access to that market and limit any influence over it. A softer, slower Brexit is the best of a bad set of options. But it remains a poor one with serious implications for the country's global influence. At Florence, the Prime Minister confirmed a slower – if not softer – Brexit. This might at least give the British people time to draw breath, and perhaps rethink.

*The Generation Brexit platform will offer young people in both the UK and EU the chance to fuel the public debate with new ideas and dynamism. For those that wish to get involved visit the platform [here](#).*

*This article gives the views of the author, and not the position of the LSE Brexit blog, nor of the London School of Economics.*

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