

Reset Brexit

by Colin A. Munro



2025 is a year of anniversaries. 75 years ago, the French foreign minister, Maurice Schumann, proposed a Coal and Steel Community that would be the basis of what is now the EU. 50 years ago, the UK voted by 67%, in a consultative referendum, to remain in the European Economic Community (EEC) of which it had been a member since 1973. The new leader of the Conservative Party, Margaret Thatcher, wrapped herself in the flags of the other eight member states during the campaign. 10 years ago, the Conservative Party won an absolute majority (on 37% of the vote), promising to hold an in/out referendum on membership of the EU. David Cameron sought to end a quarrel in the Conservative Party that had been festering since the UK's humiliating exit from the Exchange Rate Mechanism, forerunner of the Euro, in 1992.

As in 1975, the referendum in 2016 was consultative because in the UK, parliament is “sovereign.” However, the government chose to interpret the result – a narrow victory for Brexit – as an instruction, that expressed the will of the British people. It ignored the vote in two of the UK's four constituent nations (Northern Ireland and Scotland) in favour of remaining in the EU. At the election in 2015, 50% of votes in Scotland were cast for the pro EU SNP, giving the SNP 56 out of 59 seats in Scotland. At the referendum in 2016, 62% voted against BREXIT. Five years ago, the UK left the EU, after the Conservative Party led by Boris Johnson had won (2019) a general election promising to “get Brexit done”.

The Withdrawal Agreement provides for a review after five years

The Labour Party government led by Sir Keir Starmer (a “remainer” in 2016) elected in 2024 with a huge majority on 34 % of the vote, has negotiated a modest “reset”, which will alleviate some of the most obviously damaging effects of Brexit, such as the collapse of Scottish exports of fresh seafood, stymied by bureaucracy.

It is now too late to admit that the UK has left a peace building project that won the Nobel Peace Prize in 2012 – for “its contribution to peace, reconciliation, democracy and human rights in Europe”. An elderly lady explained in 2016 that she had voted for Brexit because she did not want her grandchildren to be conscripted into a European army run by Nazi generals. The EU was always sold in the UK as a Common Market, good for trade, business and prosperity. Indeed, Margaret Thatcher’s greatest European achievement is the EU’s Single Market. But it is not too late – indeed it is high time – to explain to voters how damaging Brexit is to the UK’s economy, to its standing in the world, and thus to their welfare.

The UK’s GDP is between four and five per cent smaller than it would have been without Brexit, a big number. According to the Centre for European Reform, trade, which accounts for two thirds of the UK’s GDP, is declining in real terms, particularly manufacturing for export, down 15% since 2019. Friction in trade with the EU also affects trade with the rest of the world adversely because of interruptions to supply chains. Rejoining the Customs Union would boost GDP by 2.2%. The new trade agreement with India should boost GDP by one fifth of 1%. Meanwhile, the government argues that only if the economy grows will the country be able to afford the services – health, education, transport infrastructure etc – that voters demand. In terms of economic substance, the reset is no substitute for membership of the Customs Union and the Single Market. In the EU the UK was a rule maker with a budget rebate, a Euro opt out, and not committed to “ever closer union”, the best possible “deal” in one of the world’s three (EU, US, China) economic superpowers. Voters were misled in 2016. For example, immigration has increased since Brexit, not decreased.

The Russian invasion (which began in 2014) of Ukraine combined with the re-election of Trump in 2024 has destroyed the rules based international order led by the US since 1945. Putin has broken:

- the UN Charter (1945);
- the (HFA) Helsinki Final Act (1975) of the Conference on Security and Cooperation in Europe CSCE) according to which the frontiers of participating states can only be changed peacefully and by agreement – as in the case of German unification;
- the Charter of Paris for a New Europe (1990) which reconfirmed the HFA’s ten principles;
- the Budapest Memorandum (1994) on respect by the UK, US, and Russia, for the territorial integrity of Ukraine in return for its renunciation of nuclear weapons.

Trump conducts international – and domestic – affairs as if he were a mafia boss, for example in relation to NATO: you get the defence you pay for. He likes strong men such as himself, Xi Jing Ping, and Putin, and the ego boosting pomp and circumstance of state visits to the UK. But he does not understand Putin for what he is. His assertions that the EU was created to screw the US and that Zelensky is to blame for the Russian invasion, are not only ludicrous but also dangerous. Nonetheless, Trump also represents for the UK and the EU an opportunity to repair their relations by cooperating in security and defence. The reset confirms that this opportunity is being taken. The UK, a Permanent Member of the UNSC, a nuclear power with small (actually far too small) but still capable armed forces, has much to contribute to a Europe, including Ukraine, increasingly bereft of US support.

The UK's constitutional monarchy is demonstrating its advantages in terms of soft power. According to Trump, Canada should become the US' 51st state. But King Charles, Head of State in Canada, has just delivered a pitch perfect speech from the throne in Ottawa written by Canada's newly elected Prime Minister, Mark Carney, a former governor of the Bank of England and the Bank of Canada. Canada is not for sale.

The present government's large majority is an extreme example of the deficiencies of First Past the Post when more than two parties are in contention for seats in Westminster. In 2020 the Labour Party won 202 seats on 32.1% of the vote: in 2024, 411 seats on 33.7%. At a general election held now Nigel Farage's Reform Party would win 32% of the vote, possibly securing an absolute majority of seats. His latest policies, including a rise in the threshold for paying income tax from GBP12,000 to GBP20,000, would be an absolute disaster for the UK economy. Will the Labour and Conservative parties wake up to the need for electoral reform?

The Austro-British Society is looking forward to your views and comments!

About the author



Colin A. Munro is a Board Member of the Austro-British Society and is a UK native. He attended the George Watson's College and the Edinburgh University and joined HM Diplomatic Service in 1969. During his career he held numerous positions in Berlin, Kuala Lumpur, Bucharest, Frankfurt, Zagreb and served as the Private Secretary to the Minister of State responsible for Central and Eastern Europe. His last posting in HM Diplomatic Service was as Ambassador to the OSCE. He chairs the UK Citizens in Austria and in the ABS he is also a member of the Expert Council.

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