

Britain Becomes Greece as Brexit Chaos Invades Politics and the Economy

By Denis MacShane

Has Britain saved Europe? In 1940, Britain stood alone against Hitlerism and defended core European values of democracy, freedom and tolerance. In 2017, Britain is again saving Europe by showing the folly of leaving the European Union, and breaking it asunder into competing rival nations – the Balkanisation of Europe.

Everyone now sees that Brexit is turning into an economic and political disaster for Britain. Banks are relocating staff. UK growth is the worst in the OECD. After years of foreign direct investment surpluses, there is now a foreign direct investment deficit. 19 million British citizens live below the official poverty line.

Britain's credit rating has been downgraded by the rating agency Moody. Productivity growth is the lowest in the advanced world. Only massive printing of money by the Bank of England has kept the UK economy alive since Brexit. Despite the devaluation of the pound sterling by nearly 20 per cent exports are down.

The CEO of Goldman Sachs tweeted that he expected to be spending more time in Frankfurt as financial services business would transfer out of London to keep access to the EU Single Market.

Michael Bloomberg said this week Brexit is "the stupidest thing any country has done beside Trump" and now regrets investing in a major new London centre for his business.

Toyota says its plant in the English Midlands may not survive if the UK leaves the Single Market and Customs Union as Prime Minister Theresa May insists must happen as does the opposition Labour Party.

Inflation is running above 3 per cent and after years of almost zero interest rates, it is likely that they will rise. British citizens are the most indebted in the world with big personal loans taken out to buy a house, apartment, car, motor-bike or even go on holiday.

When interest rates rise there will be a sense of panic and despair as people cannot pay off their debts.

The rest of Europe and the world is looking at Britain and seeing the decision to leave Europe as a denial of the legendary pragmatic common sense of the British.

In 2012 I first used the term Brexit at a time when the word Grexit was very fashionable. I wrote asking if instead of Grexit, the real danger might be Brexit?

I was observing the drift to anti-European populism in Britain from both the right and the left. Unless it was stopped by a coordinated response by politicians, business and public opinion shapers like the BBC Britain would leave Europe I argued.

There was no response. Big name rightwing politicians like the former Conservative UK Chancellor, Lord Norman Lamont joined with Yanis Varoufakis another failed finance minister to launch a crusade against Brussels.

To be fair Varoufakis, who became the darling of the fashionable salons of London, of literary festivals and university conferences with open invitations to appear on the BBC or write for papers like the Guardian never went so far as to back Brexit.

But in all his language of denigration of the EU and the Commission in Brussels or governments he did not like in Germany or the Netherland or Finland, Varoufakis has contributed massively to the mood music in Britain so relentlessly hostile to Europe.

At times his language denouncing Brussels was identical to that of the xenophobic nationalist leader of the UKIP party Nigel Farage to the point that many wondered if the two men had fused into a single Brussels-hating demagogue – Mr Varoufarage.

Now as populist nationalist parties of both the right and left consider their policy line on Europe they are all quietly dropping the idea that leaving the EU is a good idea as they look with horror and wonderment at Britain. The Front National in France, rightwing nationalist parties in Austria and Germany and leftwing populists like Podemos in Spain have dropped their rhetoric about leaving the EU. That is now the official British disease.

The exhausted British prime minister Theresa May, her deputy and her Chancellor of the Exchequer all said Brexit would be a disaster but now have to stand on their heads, swallow their words, and insist leaving Europe will be wonderful.

Now the mood in Britain is turning against Brexit. The pro-Brexit ideologues are calling for university professors who teach European affairs to be investigated. Thousands of EU citizens are leaving Britain as they fear they will lose their rights after Brexit happens. Brexit is turning ugly fast.

At the 6th Thessaloniki International Symposium on World Affairs last weekend one of the British speakers said that compared to Britain, Greece now looks like a well-governed, stable state facing up to terrible problems inherited from the past and made worse by populist sloganeering by Syriza before 2015 compared to the chaos, confusion and political instability of today's Britain thanks to Brexit.

No-one in London appears to know how to get out of the Brexit quagmire. But at least the rest of Europe has learnt that talk about quitting the EU leads to hell not heaven.

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