We are at half-time in the Article 50 process leading to Brexit. The departure of the UK from the European Union is now exactly 12 months away. This is the right moment to take stock and list a few backward- and forward-looking thoughts. In this Blog Post, Henrik Enderlein opts for straight talk. Here are his twelve key points on Brexit.
1. When the UK voted leave, many said the EU would be weakened. Today it is clear that the contrary is true: it’s the UK not the EU that has been weakened by Brexit.

2. Whatever people say, it would have been possible for Britain to change its mind about Brexit. Many political decisions, even after referenda, have been reversed in many countries. What is striking in the Brexit case is that even the many remainers in the UK (especially those in government) have adopted a peculiar political stance mixing fatalism with short-sighted national pride. Why can’t a nation say it has been wrong?

3. There has been a major time inconsistency in the UK’s political system since the referendum. Theresa May has been fighting for her short-term political survival from the day she was appointed Prime Minister. This could be the reason why she has focused so much on tactical moves. For UK citizens, a government thinking clearly and strategically about which Brexit-type responded best to citizens’ concerns and about the long-term economic consequences triggered by this decision would have been much better.

4. In the debate about why Britain voted leave, there is too little focus on David Cameron and his share of responsibility. Cameron had been playing with eurosceptic fire for far too long. And the idea to call a referendum was politically foolish, given the uncertainties about what a Brexit decision would actually imply. We will never know which type of Brexit British people actually voted for. The complexities that have become apparent since June 2016 show clearly that this was not a matter for a binary ‘yes’ or ‘no’ vote.

5. The Article 50 process has been so difficult because there still seems to be a key misunderstanding in the UK that this is a negotiation on equal footing, with give-and-takes on both sides. It is not. As Pascal Lamy once rightly put it: it’s a process of limiting damage for both sides. And damage is clearly going to be bigger on the UK side.
6. The EU has shown remarkable unity in the process so far. Remember when everyone said the UK would manage to divide the continent in the Brexit negotiations? They were wrong. Michel Barnier and his team have done an excellent job for the EU. Barnier’s negotiation strategy has been much clearer than the one of the UK. And so far, the UK had to eventually align with Barnier’s positions on basically all points.

7. In the UK, the opportunity costs of focusing so much on Brexit will be very high. Which country can afford concentrating the largest part of its political and administrative capacities on a single policy issue for 3 years (and probably beyond)?

8. The Article 50 separation phase of two years is too short given the complex negotiations involved in the future relationship. All that can be done in 2 years is to agree on the divorce settlement and a solid transition context. This means Britain will have to leave the EU with almost no certainty about the type of long-term economic relation between UK and EU.

9. There is scope for a ‘bespoke’ UK-EU trade agreement, but the complexities are incredibly high (think Ireland, think trade with third countries, think role of ECJ). The EU and the UK should try to define a new category of economic partnership that would be more than the free-trade agreement with Canada, but less than full single-market membership. What’s problematic is that we can define such a partnership in highly abstract terms, but not fill it with substance. Doing so means solving all the nitty-gritty questions. For comparison: Other trade deals that were less complex took around 3-5 years from the start of formal negotiations to final adoption. Any EU-UK trade deal before 2021 is thus highly ambitious, to say the least.

10. It is not unlikely that the Norway-style transition phase will stay in place for a long time. This ‘BRINO’ scenario (‘Brexit-In-Name-Only’) would be economically rational for the UK, but obviously raise political questions among the Brexiteers. That being said, political assessments can change quite rapidly, especially when
the template of the end result for the UK of the trade discussion will appear in full clarity.

11. The Brexit process shows that there is a fundamental economic contradiction in the populist promise to “take back control”. Disconnecting an economy from its main trading partners implies abandoning degrees of freedom, not increasing them. European integration is a meaningful and largely successful attempt to build a political bridge between the nation state and economic globalization. Participation in the EU means more political control, not less.

12. Things would be so much easier if Britain stayed. Perhaps there is a reason scrambled eggs never got unscrambled. Even if it was possible, it is too complex. And the ultimate utility is low.