

Contemplating the Brexit endgame, are fish really worth economic calamity?

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Almost exactly twelve months from last December's general election which gave Boris Johnson a whopping mandate to "get Brexit done", we're entering the denouement of transition ending on 31st December. Brexit has dominated British politics for four and a half years and, *inter alia*, created chaos in Westminster, disruption in the 'body politic' and, significantly, uncertainty in business.

Lack of clarity as well as upheaval because of Brexit has undermined confidence and, worryingly, probably meant investment decisions have been postponed. This will have had a negative impact on competitiveness and jobs.

Before the referendum that took place on 23rd June 2016, those supporting leave claimed that leaving would be easy and there would be immense benefits for the UK being outside of the EU.

Things don't look so simple now. Negotiations to achieve a Free Trade Agreement (FTA) hang by a thread and the views on what will emerge oscillates wildly depending on the latest leak. To attempt to break the deadlock and, we're informed, Boris Johnson travelled to Brussels on Wednesday evening to have dinner with European commission president, Ursula von der Leyen.

For leavers, sovereignty was key. Economic logic was suspended in the quest to restore this country to the position been undermined by subservience to the 'European project'. Frighteningly, protestations by the UK Independence Party (UKIP) had demonstrated votes could be gained though lashings of patriotism with a *soupcou* of xenophobia.

As we've seen in recent days, the reality of the promise made by leavers that we could leave the EU but still enjoy benefits as if we'd remained is proving impossible to attain. Those who wished to stay in the EU had argued that suggesting the UK's departure from the EU

would enable traditional industries to return was intellectually incoherent.

Fish, one of the thorny issues that's proving especially problematic in achieving a successful conclusion to the FTA, is a case in point.

England, an island surrounded by water has an abundance of coast. It has a long tradition of fishing and seafaring. Joining the EEC (European Economic Community), the 'Common Market', in January 1973, whilst creating opportunity for other sectors, and because fishing was used as a 'bargaining chip', resulted in the hollowing out of this industry.

Similar to the 'CAP' (Common Agriculture Policy), fishing among members of the EU is organised through the CFP (Common Fisheries Policy). This, since 1973, has allowed access to the vast territorial waters the UK possesses:

Fish taken from UK waters
Weight in 000s of tonnes



Source: The Telegraph

Fishing waters around UK

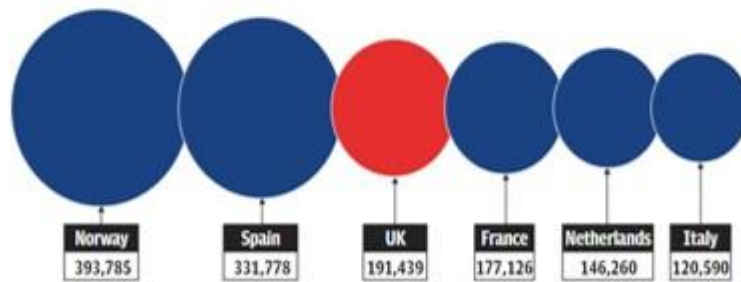
- UK
- EU
- Other countries

Note
The UN mandates that each country has an Exclusive Economic Zones of 200 nautical miles. Before this, and before our entrance to the EU, British waters constituted a 12-mile limit



SOURCE: INSTITUTE FOR GOVERNMENT

Total tonnage of fishing fleets



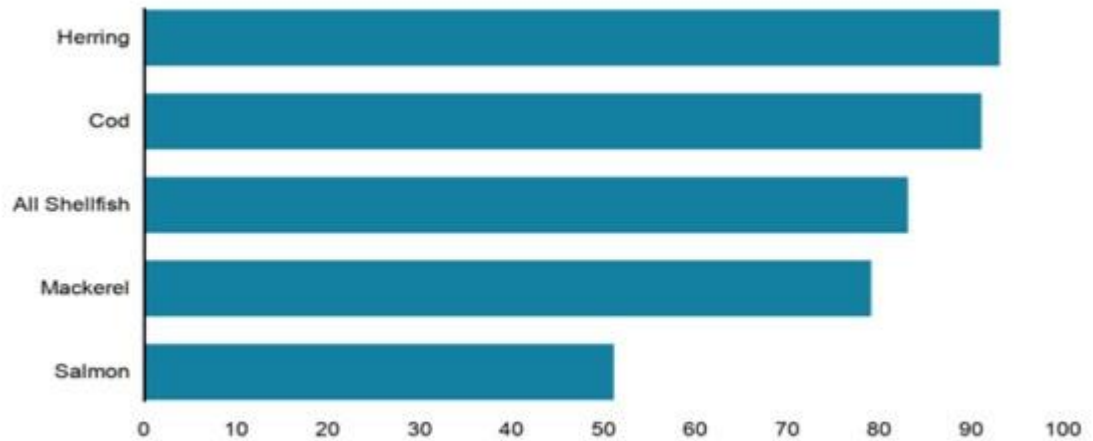
Average UK fishing vessel is 30 tonnes

Source: The Telegraph

Data published on the [government's website](#) provides a distillation of an industry that, with just under 6,000 registered vessels and employing 12,000 people engaged in catching fish (as opposed to processing), represents a minuscule tenth of a percent of GDP. In 2019, UK vessels landed 622 thousand tonnes of sea fish with a value

of £987 million which is a reduction of 11% on the previous year. Interestingly, this reduction is due to catching less “key pelagic species e.g. mackerel” which is not as popular in this country as in it once was but remains so in continental Europe.

Proportion of UK fish exports going to the EU in 2019



Source: HM Revenue and Customs

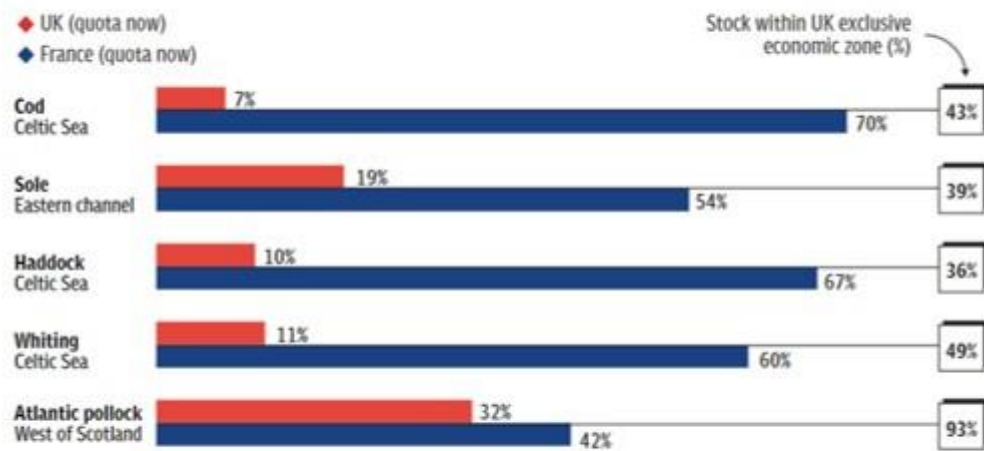


Government statistics show, we imported more sea fish than we exported in 2019. 721 thousand tonnes (value of £3,457 million) was imported compared to 452 thousand tonnes (value of £2,004 million) exported. Fish provides a hugely symbolic industry for leavers to use in asserting that membership of the EU has not been to this country’s advantage and, crucially, leaving will enable remedy to its supposed malaise.

Brexiteers have long cited fishing as a totemic issue to demonstrating their belief that membership of the EU is unfair to a vital industry:

Fish stocks

How the UK could benefit



Source: *The Telegraph*

As [The Telegraph](#) has argued for many years, loss of ownership of quotas by the British fishing industry can be laid at the door of the EU. However, as the [BBC points out in two articles](#), though fish may be emotive, the quota system that has resulted in over half of those attributed to England being “foreign-owned” is far from straightforward:



Note: Research used 2019 figures from Defra and European Commission

Source: BBC and New Economics Foundation research



Such data underlines the dilemma of using fishing to demonstrate leaving the EU will bring benefit to fishing communities. Cynics point out that quotas cannot easily be taken away from non-British owners. There are legal questions that would be raised and, naturally, resistance and counterclaims by those losing their control.

However, though it's absolutely true the UK's fishing industry is a shadow of its former self, certainly in terms of the numbers employed, this could be said of many industries such as manufacturing. Through increased capital investment fewer workers are required which increases productivity (and potential profitability) but is hardly much comfort for those losing their livelihoods.

Though it has coincided with membership of the EU, the UK was subject to the headwinds of international competition making the world very different to that which existed 48 years ago before it joined the EEC.

It's worth remembering, with some notable exceptions, the push to join the EEC broadly came from within the Conservative Party. Among Labour there was an abiding sense of, at best, mild antipathy, among those who believed that the organisation would allow the interests of

business a free hand in maximising short-term interests by, as the traditional socialist argument went, undermining workers' hard-won rights.

Almost half a century on we are in the curious position of arguments that are inconsistent and create the sort of dilemma made for fish. We can, according to advocates of a 'hard' Brexit, in which there is 'no-deal', walk away from FTA negotiations and 'paddle our own canoe'.

The reality will be that, from the second we leave at 11.00pm (12.00am CET) on 31st December, we become subject to a [vast array of tariffs](#) on that goods traded between ourselves and EU.

For businesses struggling to survive even before the pandemic struck so devastatingly, the economic consequences that will be experienced by everyone for years to come had added to their financial pressures, dealing with the vicissitudes engendered by Brexit is entirely unwelcome. [According to the HMRC](#), British businesses will have to deal with an "administrative burden" in coping with additional bureaucracy costing collectively more than £7.5 billion each year.

Back in 2016 those who argued that no good would come of leaving the EU were regarded as naysayers. They were not sufficiently optimistic about potential opportunities that would become available once emancipated from the clutches of the overweening EU. Predictions of problems that would be experienced by leaving one of the world's largest trading blocs were treated with derision and contempt.

Four years and a half year later, like Frankenstein's creation, the concerns are coming to life and proving as dreadful.

If the end of the transition period ending in 'no-deal' represents absolute calamity, regardless of whatever uber-hard Brexiters claim, any deal we may end up, even though avoiding tariffs, will still be awful for business and UK citizens in general.

Removal of the contentious – and illegal – clauses contained in the Internal Market Bill, inserted to deal with goods going to Northern Ireland should there be 'no-deal', might suggest a curious choreography being played out. Though this may presage a change in

atmosphere in the FTA negotiations enabling a deal to emerge, it will be a 'skinny' one at best.

Cynics claiming there's a stench of something 'fishy' have good reason to distrust those now in government. After all, they were the very same people who supported leaving the EU during the referendum campaign. Indeed, they made then and have reiterated since, we'd continue to enjoy benefits of membership of the EU.

Conveniently, for them at least, they didn't explain how this would be possible. And as we are seeing, such claims are proving to be false. As Daniel Finkelstein in a well-argued [Times opinion piece](#) that those supporting leave possessed irreconcilable economic and political beliefs need to "tell us what they imagine comes next."

Whatever extra fish we do catch and however many extra jobs are created for British workers in this sector, unlikely to be more than a couple of hundred at best, represent extremely poor return when compared to the upheaval and losses that will have to be borne in other sectors because of Brexit, regardless of whether a Free Trade deal is achieved.

However, [as reports on Wednesday suggest](#), possibly part of 'orchestrated choreographing', Germany's leader, Angela Merkel, with resonance to what former PM Theresa May famously proclaimed, in order to minimise the risk of unfair competition from the UK still enjoying tariff-free access, no-deal may become the EU's preferred option.

As we may be about to discover, 'splendid isolation' could be achieved at a very high price.

Dr. Steven McCabe is co-editor of *Brexit and Northern Ireland, Bordering on Confusion* (published by Bite-Sized Books, ISBN-13:978-1694447807) and *English Regions After Brexit: Examining Potential Change through Devolved Power* (published by Bite-Sized Books, ISBN-13: 979-8666953099). He has contributed chapters to a number of texts in the last year (in 2020 unless otherwise stated): *Brexit Negotiations after Article 50: Assessing Process, Progress and Impact* (published in 2019 by Emerald Publishing, ISBN: 978-1787697683); *The Wolves in the Forest:*

Tackling Inequality in the 21st Century edited by Hindley and Hishman (published in 2019 by Social Liberal Forum); ***Boris, Brexit and the Media*** edited by Mair, Clark, Fowler, Snoddy and Tait (published by Abramis Academic Publishing, ISBN-13: 978-1845497644); ***The Virus and the Media: How British Journalists Covered the Pandemic***, edited by Mair (published by Bite-Sized Books, ISBN-13: 979-8643725824); ***The Pandemic, Where Did We Go Wrong?*** edited by Mair (published by Bite-Sized Books, ISBN-13: 979-8665858326); ***BBC, A Winter of Discontent?*** edited by Mair (published by Bite-Sized Books ISBN-13: 979-8694863117) and ***The Pandemic, Where are We Still Going Wrong?*** edited by Mair, (published by Bite-Sized Books ISBN-13: 979-8563726338).