

No vaccine against Brexit nationalism

By Ferry Biedermann, freelance journalist working both in the UK and in Europe. He has contributed to the Financial Times, CNBC, the Washington Post, Trouw newspaper in the Netherlands and many others. He is also a former correspondent in the Middle East for the FT and Dutch newspaper de Volkskrant.

Just weeks, not even months, after Brexit finally kicked in it's way too early to come to any definitive conclusions on its effects. So, here's some tentative speculation: Economically, the UK will be suffering more at least in the short to medium term than the EU. And as expected, nationalism has again been boosted, making life harder for everyone.

To start with nationalism and its attendant problems. It was in the news most at the start of the year as part of that misleading term vaccine nationalism. Particularly the UK press made much of how the EU seemed to want more of a vaccine that it then did everything to belittle, with even France's Emanuel Macron weighing in on its supposed ineffectiveness. Of course, none of that would have happened if the original Astra Zeneca trials had been as uncontroversial as those of its competitors.

But apart from all the silliness, there's a serious point to be had here: calling the tussle over vaccines 'nationalism' only serves to minimize the seriousness of what's going on. Months of delay in millions of vaccines can mean thousands of lives lost and extended economic damage. The EU might have reached for the wrong instrument when it briefly considered imposing border controls on the vaccine in Ireland, but its instincts were correct. It is every government's duty to protect the lives of its citizens.

If there's any vaccine nationalism going on, it appears to be mostly on the UK side. The race to vaccinate the whole population, and reap possible economic benefits as well as political brownie points for the Johnson government, is at the very least misguided, as the WHO has also made clear to all rich countries. It would make much more sense first to vaccinate vulnerable populations and frontline workers everywhere, all over the world and certainly as a UK neighbour, in the EU, before rolling it out to healthy and younger people.

The other main nationalist theme of the last few months is the internal UK one. The Scottish drive for another independence referendum seems unstoppable. Boris Johnson would have had a good argument in saying that the Scots had their chance in 2014 and that the question should now be settled for a generation, were it not for that other referendum in 2016 and its consequences.

It's a bit rich to completely overturn the context of a contract and then insist that the other party keeps adhering to it. England, not Scotland, opted out of the EU and it will be hard to stop the Scots from having a new say on a changed package.

This is not a good thing, in my mind. Just as it would have been better for the UK to have stayed in the EU in order to keep making a stronger, more united case for democracy, openness and, yes, freedom, so it is for Scotland in the UK. Appeals to ever narrower nationalisms will only end up splitting Europe at a time when it needs to be united to stand up to autocratic regimes and economic bullies. True, an independent Scotland could re-join the EU but the logistical nightmare that would involve will make the Northern Ireland protocol pale by comparison. And in the rump-UK it would cement Tory rule for decades, making any prospect of it ever re-joining the EU disappear for generations.

The other British nationalist flashpoint is over Ireland, lest we forget. Brexit was always likely to aggravate, even rekindle in places, tensions between the communities in the North. Now the EU with its ham-fisted, if brief, invocation of Article 16, has given Unionists and the UK government ammunition to blame it on Brussels. That's like an arsonist blaming the fire on a fireman who lights up a cigarette when the blaze is already well underway.

The UK government caused the tensions, with Brexit and its subsequent refusal to acknowledge the realities of the Northern Ireland protocol. Given the relatively recent history of violence, it's particularly important that cooler heads prevail on this issue. Whatever blunders Brussels has made in this regard, it's still more plausible that the hotheads are on the other side of the Channel on this too.

Not that the EU isn't facing its own nationalist ructions, and they're not mainly coming from the usual suspects: Hungary and Poland. In fact, the EU's main Brexit-related nationalist headache is coming from outside the bloc, strictly speaking. The Swiss, who have delayed ratifying a new framework agreement with the EU for the past two years, are now reportedly suffering from Brexit envy. Independence is supposed to be the glue that holds the disparate Swiss cantons together, a paradoxical statement if there ever was one and that shows just how absurd the whole nationalism issue is.

In any case, the Swiss now apparently have seized on two of the UK's supposed gains in their deal with the EU: no oversight by the European Court of Justice and no signing up to single market rules. Never mind that Swiss-EU issues are radically different from UK-EU considerations. What's also conveniently forgotten, not just by the Swiss it seems, is that there's no UK-EU deal yet on financial services, a huge part of the UK economy.

That, interestingly, has led to a bit of a nationalist hurray in the Netherlands. News that Amsterdam has now overtaken the City of London as the main share trading location in Europe was greeted with a cheer, even though it's almost meaningless in terms of the economy. To be fair, the Dutch more or less invented the freely tradeable share and as such the modern day version of capitalism, curse them, so they should be allowed to crow a bit.

What Brexit really means, no one will know for a very long time but my bet is that it's nothing good for anyone. The fog is thick, not just in the Channel. Take, for example, the optimistic UK statement just days ago that road freight traffic between the UK and the EU was almost back to normal. Dig deeper and it appears that half of all trucks going back to Europe were empty, compared to just one quarter pre-Brexit. That's quite a hit for UK exports.

Combine that with the EU's estimation that the economic effect of Brexit on the bloc by the end of 2022 is a brake of 0.5 per cent on economic growth, compared to 2.25 percent for the UK, and an incipient pattern emerges: It's hard to see an upside to Brexit, for anybody.