

Ever Get the Feeling You've Been Cheated?

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“Ever Get the Feeling You've Been Cheated?” was the question asked by lead singer of the then, infamous, Sex Pistols' lead singer Johnny Rotten (John Lydon) on 14th January 1978 at the end of the band's appearance at the Winterland in San Francisco that concluded their US tour.

Lydon's frustrations were borne of his sense that he was part of something that no longer had authenticity. Anyone who has ever considered what emerges naturally will be amazed at the way ideas evolve and the latent energy that accompanies the excitement of change. It is significant that the last song of the set was a version of Stooges classic “No Fun”.

So, what has the demise of the 1970s incarnation of, arguably, a band that had as much influence on popular music as the Beatles and Rolling Stones had achieved in the previous generation? There was a sense that the old generation who'd dominated were going to be swept away and replaced by a 'do it yourself' approach that allowed artists to do what they thought was important and the customer assumed primacy.

A characteristic of 'revolution' is that many are swept along by the intoxication of heady euphoria. They see an opportunity to create a new world that resembles their purview of the future. Those opposing change are seen as being too willing to cling on to the past.

The argument is that the 'establishment' have become too comfortable and need a shake-up. Anyone who remembers some of the dross of the 1970s – especially what is called 'Mid-Atlantic rock' – propagated by large record businesses will attest to how fresh and invigorating punk/new wave felt when the likes of the Sex Pistols gate-crashed the scene.

The argument that change was needed was the driving motivation of Brexiters. Though the likes of Nigel Farage and Jacob Rees Mogg could never be described as punk rockers, its intriguing though to contemplate, their mantra was that leaving the EU would allow enterprise to flourish and create incredible opportunities for jobs and further investment.

Getting Brexit “done” was at the heart of December's general election. As the result showed, a majority of voters believed in the argument that the change that had been voted for in the June 2016 Referendum was being held up by Parliament.

Having an 80 seat majority allowed Boris Johnson to get the Withdrawal Agreement through Parliament allowing the UK to leave the EU on 31st January and, as he'd claimed during the election, implement his “oven ready” deal.

However, the deal Johnson claimed was possible is proving difficult to achieve.

Negotiations are, as Johnson is discovering, two-way processes that involved each side giving and taking. Trying to foist what *you* believe is required rarely achieves agreement.

The threat of walking away, something Johnson criticised his predecessor Theresa May of not being willing to do, is certainly possible but, of course, you have to accept that there may be consequences in undertaking this action.

And this is at the crux of what Brexit has always been about; the belief that the UK could leave the EU but that there'd be no repercussions. Trade would continue and, as many of the most ardent Brexiters claimed, a 'clean break' without any deal would be to the UK's advantage. The fact that this

would result in trade between the UK and the EU being conducted in accordance with World Trade Organisation (WTO) rules and that goods would be subjected to tariffs appears to cause Brexiters no concerns.

Average EU tariff by product type (%)	
Animal products	17.9
Dairy products	43.7
Fruit, vegetables and plants	10.7
Coffee, tea	5.9
Cereals and preparations	14.9
Oilseeds, fats and oils	5.5
Sugars and confectionery	27.5
Beverages and tobacco	19.8
Cotton	0.0
Other agricultural products	3.3
Fish and fish products	11.6
Minerals and metals	2.0
Petroleum	2.5
Chemicals	4.6
Wood, paper etc	0.9
Textiles	6.5
Clothing	11.5
Leather, footwear etc	4.1
Non-electrical machinery	1.8
Electrical machinery	2.4
Transport equipment	4.7
Other manufactures	2.2

Source: WTO World Tariff Profiles 2019, p88

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As the following diagrams taken from the House of Commons Library Briefing Paper *Statistics on UK-EU trade* Number No 7851 (published on 17th June 2020) “Taken as a bloc, the EU is the UK’s largest trading partner”:



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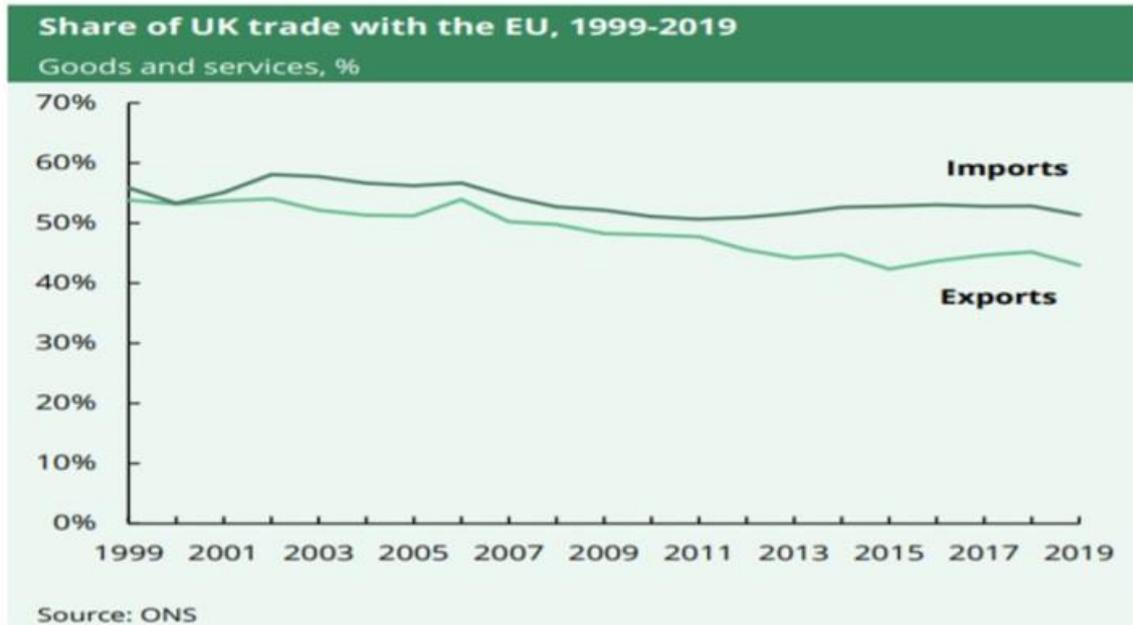
Last year, respectively, the UK exported and imported £300 billion and £372 billion of goods and services which created a trade deficit of 71.9 billion compared to a trade surplus of £46 billion with non-EU countries:

UK trade with EU and non-EU countries 2019					
Goods and services					
	Exports		Imports		Balance
	£ billion	%	£ billion	%	£ billion
EU	300.3	43.0%	372.2	51.4%	-71.9
Non-EU	398.3	57.0%	352.3	48.6%	46.0
Total	698.6	100.0%	724.5	100.0%	-25.9

Source: ONS

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In terms of trends it can be seen that exports to the EU from the UK have been falling (54% in 2006, 45% in 2018). Imports from the EU to the UK have declined (58% in 2002 to 51% in 2019):



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As part of this analysis, it is worth considering the regions:

UK goods exports by region and country, 2019

£ billions

	EU	Total	% EU
North East	7.9	13.3	59.5%
North West	14.2	27.3	52.2%
Yorkshire & the Humber	9.9	17.1	57.7%
East Midlands	12.1	24.4	49.5%
West Midlands	14.5	31.6	46.0%
East	14.1	29.0	48.6%
London	19.2	43.8	43.9%
South East	21.9	46.5	47.0%
South West	9.3	21.2	43.9%
England	123.1	254.1	48.4%
Northern Ireland	5.3	9.1	58.7%
Scotland	16.7	33.8	49.4%
Wales	10.7	17.8	60.5%
Unallocated known	11.8	12.3	95.8%
Unallocated unknown	0.1	32.3	0.4%
Grand Total	167.8	347.1	48.3%

Source: HMRC, UK Trade Info

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UK goods imports by region and country, 2019			
£ billions			
	EU	Total	% EU
North East	8.4	14.5	58.2%
North West	21.3	38.0	56.2%
Yorkshire and the Humber	16.7	32.1	51.8%
East Midlands	16.0	29.0	55.0%
West Midlands	22.6	36.5	62.0%
East	28.9	45.0	64.1%
London	35.5	73.6	48.3%
South East	61.4	98.8	62.2%
South West	10.7	24.5	43.5%
England	221.4	392.0	56.5%
Northern Ireland	5.1	7.8	65.7%
Scotland	9.9	23.5	41.9%
Wales	6.8	18.1	37.6%
Unallocated known	19.6	30.1	65.3%
Unallocated unknown	0.6	12.8	4.9%
Grand Total	263.5	484.4	54.4%

Source: HMRC, UK Trade Info

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All of this is well known.

Every blog I have written for the Centre for Brexit Studies has tried to analyse what the impact of leaving the European Union was likely to be. However, with now less than five months to go before the end of ‘transition’ under the current arrangements there is no clarity as to what the arrangements for trade will be come New Year’s Day in 2021.

This makes forward planning extremely difficult and, as we increasingly hear, extremely costly in terms of the additional effort and checks that will be necessary. On Monday the [Financial Times](#) reported that the chemical industry believed it will cost £1 billion to “duplicate EU regime” and that this may force many smaller firms out of business.

It is increasingly clear – to those willing to listen – that leaving the EU following the outcome of the June 2016 referendum is a case of economic self-destruction. Whether those who voted were really as aware of what the consequences of their action would be is, of course, largely irrelevant.

We are where we are.

However, what is infinitely depressing is that another of the cheerleaders of Brexit, former Conservative leader Ian Duncan Smith, tweeted yesterday “Whilst the UK wants to have a good trade relationship with the EU as a sovereign state, the EU has different ideas. They want our money and they want to stop us being a competitor. The Withdrawal Agreement (WA) we signed last year sadly helps them.”

Amusingly, then Duncan Smith subsequently tweeted, “To avoid their own budget black hole, the EU gets £39billion as a “divorce payment” from us, reflecting our share of the current EU budget. But it gets worse. Buried in the fine print, unnoticed by many, is the fact we remain hooked into the EU’s loan book.”

This is the supreme irony. Duncan Smith, a Parliamentarian whose job is to scrutinise legislation, claiming that this country has been effectively conned because of “fine print”.

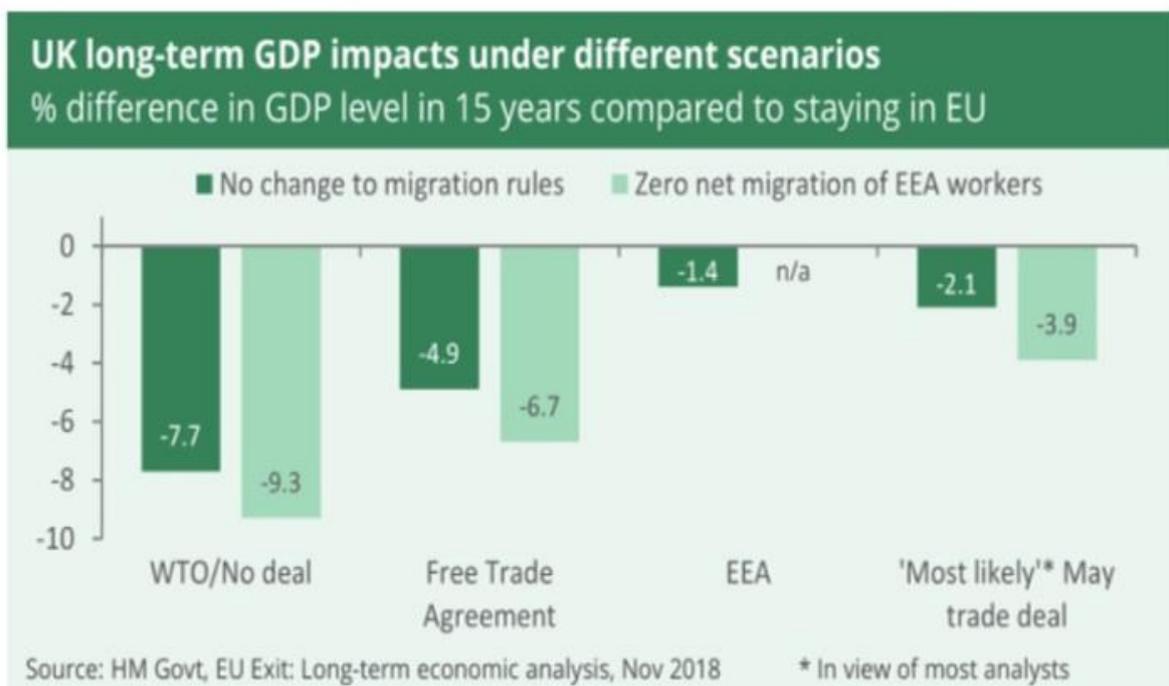
If the situation were not so serious it would be laughable.

Cynics would argue that Duncan Smith and the rest of the members of the curiously named European Research Group are finding a way to conclude their ultimate goal and are seeking a way to scupper any sort of free trade agreement and, worse, to go back on the Withdrawal Agreement that was passed by Parliament.

Clearly, any piece of legislation can be amended if there are sufficient, and acquiescent, members willing to do this.

The repercussions of engaging in such action do not need elaboration by me. This is the sort of action expected from what is known as a ‘banana republic’. The UK would be seen to acting in a way that would mean any agreement has no validity or worth.

In another House of Commons Library briefing paper, *Brexit deal: Potential economic impact*, published on 18th October 2019, the various scenarios of leaving the EU compared to remaining were set out:

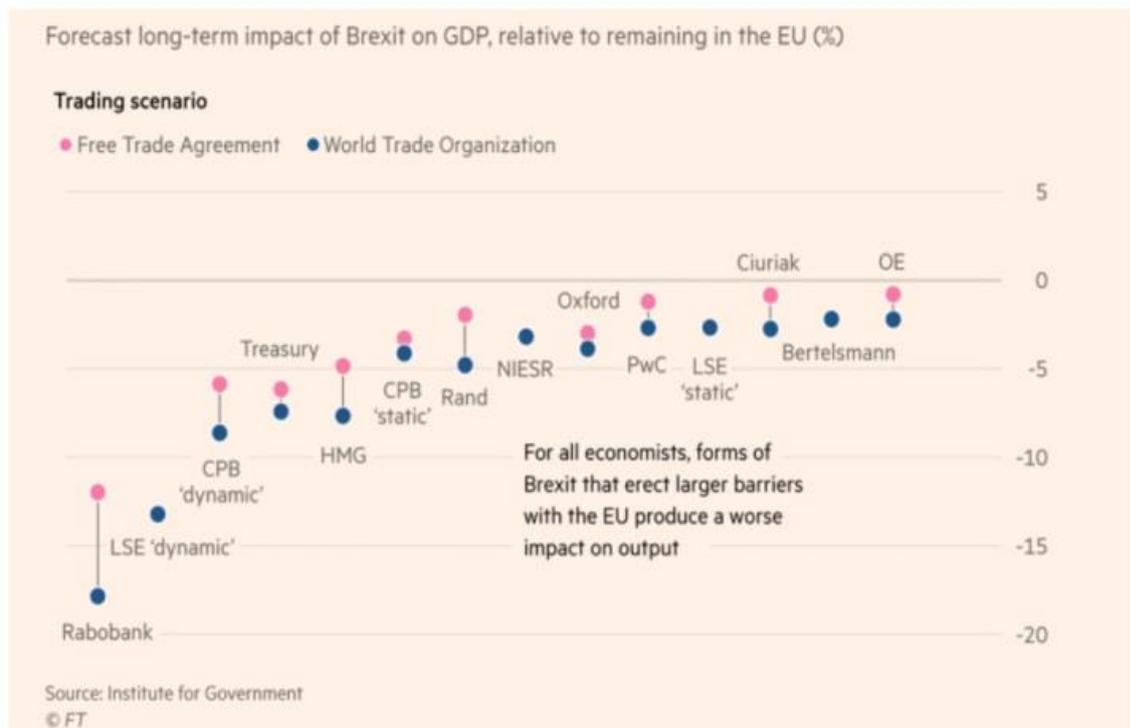


<https://commonslibrary.parliament.uk/brexit/brexit-deal-potential-economic-impact/>

Pointedly, in *The Financial Times* article 'Covid crisis likely to mask economic fallout of no-deal Brexit' Chris Giles set out the economic consequences of no deal. Quoting a number of experts, Giles makes it clear that no matter how bad a no-deal may be, it will be less significant than what we're experiencing as a result of the impact of Covid-19.

Julian Jessop, fellow at the think-tank the Institute of Economic Affairs, is typical when he states that, "Any costs from a change in our relationship with the EU are likely to be trivial compared to the swings in GDP due to coronavirus, as well as potentially being smaller during the crisis than they would have been otherwise."

As always, there are a range of views among economists about what will happen to the UK economy as a consequence of leaving the EU:



<https://www.ft.com/content/4440f83d-7e8a-4510-b8b7-3fb9146da51a>

And so, it increasingly seems, the con is almost complete.

By the time the public realise it will be too late. Besides, like a frog being boiled, the effect will be gradual and reduced economic growth will simply be the new normal.

Anyway, Covid-19 will be blamed for everything.

In the autobiography Lydon wrote, *Rotten: No Irish, No Blacks, No Dog*, he explained this exasperation with the Sex Pistols and Malcom McLaren in January 1978 were born of a belief that he felt he'd been "cheated," that the "whole thing was a joke at that point."

Lydon could at least walk away from what he considered to be a "farce".

There are many of us who believe that Brexit has become a tragedy that will blight the prospects of this and future generations and leave us collectively poorer.

It's worse than a farce. We've all been cheated.

Worse, we cannot walk away from it as Lydon did from the Sex Pistols in early 1978.

Dr. Steven McCabe is co-editor of *Brexit and Northern Ireland, Bordering on Confusion* (published by Bite-Sized Books, ISBN-13:978-1694447807), contributor to *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 Wolves in the Forest: Tackling Inequality in the 21st Century* edited by Paul Hindley and Paul Hishman (published by Social Liberal Forum), *The Pandemic, Where Did We Go Wrong?* edited by John Mair (forthcoming to be published by Bite-Sized Books, ISBN-13: 979-8665858326) and *English Regions After Brexit: Examining Potential Change through Devolved Power*, jointly edited with Beverley Nielsen (published by Bite-Sized Books, ISBN-13: 979-8666953099).