

Brexit: KISS (before it's too late)

Mike Guillaume



The “KISS principle” is a design rule which states that systems perform best when they have simple -and “stupid” (i.e. intelligible)- designs rather than complex ones. The principle seems to have been completely forgotten in all negotiation rounds that have taken place since the UK vote on June 23, 2016. Admittedly, leaving a set of mechanisms, rules, institutions, regulations, customs (all meanings) such as the European Union is not a cakewalk -and shouldn't be. When things are (made) too simple politically, demagoguery may loom -and we have seen much of this at play before and since the vote (no need to name names here). Besides, as the French writer Paul Valéry once put it: *“All that is simple is false and all that is complex is not usable.”*

That said, back to the principle. KISS usually stands for *“Keep It Simple and Stupid”*, sometimes revisited with a number of variations and added letters. As far as Brexit is concerned, let's go for Simple and Sustainable.

On The Telegraph September 17 website, you could read two headlines: *“It’s Chequers or no deal, says Theresa May...”* and *“Boris Johnson. We are heading for a car crash Brexit under Chequers plan.”*¹ Unfortunately, both are correct. Whatever the scenario -a bad deal or no deal- it’s a recipe for disaster.

For a while, we heard the tune *“No deal is better than a bad deal”* but now it seems that the PM’s option is to rush toward a bad deal only to avoid no deal at all. At the core of the plan is the proposal to create a *“free trade area for goods”* to *“avoid friction at the border, protect jobs and livelihoods, and ensure both sides meet their commitments to Northern Ireland and Ireland.”*² With all due respect for the Irish and consideration for the question, putting that at the core of a plan which is an issue involving so many nations and such a large market seems a bit exaggerated.

Time is running out. So, let’s rapidly summarise how the KISS principle could/should have been applied to the Brexit deal.



Simple

¹ “The Telegraph” online edition, September 17, 2018.

² *“What is the Chequers deal? Theresa May’s controversial Brexit plan explained”* on I News (September 17, 2018): <https://inews.co.uk/news/brexit/chequers-deal-brexit-plan-agreement-what-explained-theresa-may/>

Once named the Norway/Canada model (actually, it should read as from Norway to Canada or between Norway and Canada. Nothing is... simple in that Brexit affair!). Although out of the EU, the UK would be allowed continued access to the European internal market and customs union. It would be required to accept the “four freedoms”, i.e. free movement of goods, services, people and capital across borders. From the country where free trade was invented, it is baffling to see the reason for such a rejection of freedoms other than free trade of goods. Except of course for bowing to pressure from the hard Brexiteers, bizarrely more obsessed by the Polish plumbers than the Islamic preachers, and de facto almost completely ignoring the role of London's City in EU financial services. Moreover, having in mind what's left of agriculture and agrobusiness in the UK and, more broadly, of the manufacturing sector, the PM's focus on free movement of goods is simply incomprehensible, and this is a euphemism. Who will mainly benefit from free movement of goods? Companies and countries exporting to the UK, not (much) the UK itself.



Not including services, people and capital is a terrible blunder. Tory and other hard Brexiteers have overlooked the fact that, courtesy of Lady Thatcher, Britain has become mainly a service economy, for better or worse. Two cases in point: Australia buys six times more from UK service companies than Mexico does, although their economies are around the same size. The US is by far the UK's biggest individual market, thanks to the huge flows of financial services between the City, New York and other US banking

centres. But the EU as a whole is far bigger: Italy, for example, buys a similar amount of Britain's services as Japan, despite Japan's economy being 2.5 times larger.³ As to capital flows, due to the uncertainties -something market players and bankers hate, as we all know- the City has already lost much of its appeal -and "balance sheet"- even before Brexit comes into force, as witnessed by the recent decisions from e.g. Deutsche Bank et al. (According to the FT, German's top bank could move three quarters of its London-based assets.)⁴

Free movement of people, which was a red herring in the pre-vote campaign, has diverted the attention from the other Brexit matters, and from the real issue -the problem is not migrations inside the EU but external incoming flows. The net result is to make the UK, and especially a more ethnocentric England, look -and sometimes be- much more intolerant to foreigners than it has ever been and than more xenophobic areas are in Europe (and there are a few ones). Bear in mind that, among other examples, 12.5% of NHS staff are non-British and 28% of building workers in London are from other EU countries. Up to now, there is as much, and sometimes more "Little England" than "Global Britain" in acts and minds. The problem could have been solved by maintaining EU and British citizens in their current status without any reservation, and possibly by allowing the possibility of some sort of quota agreement for certain categories (and not only in the UK, by the way). Instead, an ideological anti-foreigner approach has prevailed.

Except for those four freedoms, which should be accepted in a no-nonsense agreement -call it a soft Brexit if you want- the UK would be outside and on its own, with an increased degree of freedom, at least as much as it can in a globalised economy and a -worrying- reliance on foreign-made decisions (including in strategic businesses, not least energy, infrastructure, etc.). Things are naturally a bit more complex but accepting those four would have made negotiators' lives -and subsequent progress in

³ Cited in "*Britain's services firms can't defy gravity, alas*" by John Springford and Sam Lowe (Centre for European Reform), February 5, 2018. More on: <https://cer.eu/insights/britains-services-firms-cant-defy-gravity-alas>

⁴ Reuters and Financial Times (September 17, 2018).

discussions- easier. No Irish backstop needed in that event either. Is it water under the bridge or high time to reconsider?



Sustainable

Last-ditch attempts to turn back the clock and make Brexit impossible or at least force a second vote are probably, yet not certainly, doomed to fail. As Phil Syrpis, professor of EU Law at the University of Bristol, writes in a recent article: *“Calls for a vote are a dangerous distraction from the urgent task of preparing alternatives to ‘no deal’.”*⁵

Recent secret meetings held by Nick Clegg, John Major and Tony Blair with EU leaders of all parties look a bit as if euro-elites in the UK and the EU were trying to keep at bay the growing popular discontent -the one that resulted in the leave vote- at decisions made too far. In short, the need for regaining sovereignty or... taking back control (remember this?). Are we sure those elites serve the people and not other interests, including their own?

⁵ *“The people’s vote is not the answer to the Brexit riddle”* by Phil Syrpis, on <http://blogs.lse.ac.uk/brexit/2018/09/18/the-peoples-vote-is-not-the-answer-to-the-brexit-riddle/>.

Brexit is here to stay. Any agreement should therefore be built to last, i.e. in a word so often used nowadays: sustainable. Let's make no bones about this: the Chequers deal doesn't move in that direction.

The half-baked proposal regarding "*frictionless access for goods*" is not only cherry-picking but also a misconception of what modern trade is all about. Free movements of goods, services, people and capital are intertwined, making the four freedoms indivisible. Politically, wasn't pushing for a European free-trade area a major UK objective, as opposed to the ones -mainly but not only French and German- aiming at more harmonisation and unification? Historically, Britain-born founding fathers of political economy Adam Smith, David Ricardo, et al. are certainly turning in their graves. The goods deal will do no good, except to UK imports, which is not exactly the purpose.

How will the UK-EU "customs partnership" -as even Boris Johnson himself named it more than once⁶ - work effectively, not only in the first days and weeks, but also in the coming years? The UK would apply EU's tariffs and trade policy on goods intended for the bloc but would control its own tariffs and trade for the domestic market. Will this mean the same to everyone, and how will it be implemented?

Political stability is also at stake. At three levels: the parties, the UK and the EU. A former Brexit minister has warned of a "*catastrophic split*" of the Conservative Party. Will the PM save her neck? On the other side, is Labour's future safer? Nobody's sure. Will other political forces emerge -and from where, the centre or extremes? More seriously, will the UK survive as a "Kingdom"? Remember the vote splits, bet on a second referendum in Scotland, raise (again) the Irish question, don't exclude a Welsh secession. Brexit would then have made... the UK unsustainable. Who would have imagined that twenty years ago?

⁶ "*Boris Johnson and the politics of Brexit*" by Laura Kuenssberg on BBC News (May 8, 2018).
<https://www.bbc.com/news/uk-politics-44044937>



Kiss (again)

Finally, what will happen to the EU? With or without a deal, inevitably imperfect (to say the least), the whole Brexit story and its final output will certainly leave traces in the relationships between EU member States.

At best (or worst, depending on your level of Europhilia), Brexit could be a kiss of life. But that might also backfire and make the renewed Franco-German leaders' plans kiss goodbye to further chances of integration and a step closer to a federal model. And slow down a unique example in history of states abandoning their sovereignty and taking pride in doing so (this is precisely why the Brexit vote happened).

At worst (or best, depending on your level of Euroscepticism), it will give ideas to the ones advocating for the return to more national powers -and decisions closer to citizens, too-, or even preferring to... take back full control.

A kiss of death.

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Mike Guillaume

Mike is the co-founder and managing director of e.com-ReportWatch, a European-rooted, US-incorporated and London-based financial reporting consultancy. An economist, financial analyst and investor relations specialist, Mike shares his time between London and a few other places on the Continent. He is the author of numerous articles about European matters and of the book *“The Seven Deadly Sins of Capitalism”*. The views expressed in this article are the author’s own.