

28.6.2016 The Brexit crisis has only just begun

The victory for 'Leave' in the UK in-out referendum on the European Union is a severe setback, with effects that will gain in momentum over time. David Cameron is a bit like George Bush a decade ago, launching the invasion of Iraq in response to the 9/11 attacks. 12 years later we can see the results. Of course Europe is still a stable continent, and we do not fear the same type of consequences. But the shockwaves of Brexit will reverberate for a long time, and they will have a major influence on the years to come.

The debates before the referendum focused largely on immigration. It is this sensitive issue that determined the result of the vote. However, everyone knows that Britain will be no freer of migratory tensions after than before. Those who take over the government after David Cameron will struggle to find solutions that will satisfy the expectations of their supporters, because internal EU migration is only a small part of voters' fears. The media debate, too, began to ignore the immigration question as soon as the vote was done.

Post-Brexit reactions primarily focused on the foreseeable economic and political consequences, because on this level the impact is immediate and very striking. The crash of sterling over a 24-hour period, and the prompt call for a second independence referendum in Scotland, where 62% of the voters chose to remain in Europe, are now the dominant issues.

It appears the the UK's economy will pay a heavy price. Europe must respond, because it will have to prevent the haemorrhage and contagion among Member States. Hitherto, a pragmatic distribution has allowed London's financial centre the benefit of the economic activity generated in all the capitals joined in the European economic area. This activity will gradually shift to the euro area, to Paris, Milan or most likely Frankfurt. The City, which voted against Brexit and which made its fears known from the start of the campaign, already knows that its influence is under threat. Capital can only be invested effectively in Europe through financial centres that are within the European regulatory area. London will no longer be one of them.

The implications for Scotland and Northern Ireland are a matter of some urgency. Under the terms of the Lisbon Treaty, there will be a two-year period in which to negotiate the terms of the UK's withdrawal from the EU. It is within this tight timescale that Scotland will attempt to frame its own agenda for remaining in the European Union through independence. The SNP, which spearheaded the success of the Remain vote in Scotland, has clearly decided to push for a new referendum. The immediate economic consequences for the British economy will encourage Scottish public opinion to support it, the more so since the main argument of opponents of independence two years ago was precisely that leaving the United Kingdom would force Scotland out of Europe. The Scottish people have a historic opportunity and they must seize it.

Thursday 23 June marks a turning point, and the choice of Brexit must be enforced, cost what it may, even if the scenarios that the experts can now envisage are almost all fraught with difficulties. A majority in England voted in favour, though even here there are divisions, for the youngest voters mainly voted Remain. This generational divide will lead to situations that could destabilise British politics and raise very many questions. Brexit will bring problems that will quickly turn out to be insurmountable.

The next two years will be very complicated. And further surprises may be in store; after all, the rejection of both France and the Netherlands of the European constitution ultimately saw the signing of the Lisbon Treaty, which is its carbon copy. The Brexit crisis is only beginning.