

Kevin Norton was educated at Newbridge College and at UCD, where he graduated in commerce. After training in Craig Gardner (now PwC) where he qualified as a Chartered Accountant, he worked for three US multinationals in Ireland. He established his own accountancy practice, Norton & Associates in 1973. In 1990, he became Chief Executive of Basta, Ireland's leading manufacturer and supplier of builder's hardware, and expanded Basta's business in Britain. He became Chair of the Alzheimer Society of Ireland in 2008, a post he held until 2016 and was a Board Member of Inter Trade Ireland.

# The Brexit Referendum

Kevin Norton provides an opinion piece into the history of Britain and the EU which led to the Brexit referendum.

#### Introduction

There can be little question about it. The British decision to leave the EU will prove to be a very significant step for Britain, for the EU, and for Ireland. It will be the most important development in Europe since the fall of the Berlin Wall. In this article, I will address how it is might impact on all three.

# Britain

#### History

Younger people will not remember – or even know – that when the Six were originally coming together after the Second World War, Winston Churchill was very keen for Britain to be part of this new Europe. But Britain still considered itself a great Empire, and wanted to continue its tradition of not getting involved in Continental Europe. So Britain did not join the other Six – the first of its several mistakes in relation to post-war Europe.

Nonetheless, the Coal and Steel Community was formed in 1951, and it evolved into what is today the European Union. Built on the ruins of two world wars, it has been a remarkable achievement in such a relatively short period. It has brought peace, prosperity, and has developed a sense of European brotherhood. And a market of 500 million consumers.

Initially, as I said, Britain stood aside. Subsequently, under Harold McMillian, it applied to join. But the application was rejected by the Six – largely because President De Gaulle believed that Britain was not sincere – they wanted to get inside to either wreck it or to at least dilute its development.

Eventually, in 1973, Britain was admitted to the then European Economic Community. But De Gaulle had been correct. One of Britain's main aims was to frustrate the development of an "ever closer union".

Soon after it joined, Britain pushed for a widening of the EU – bringing in more countries. From a British aspect, this was preferable to a deepening of the union. (I can remember all of this; for younger people, it is captured in a highly amusing episode of Yes Prime Minister – which was made about 35 years ago!) As a result, countries in central and eastern Europe were admitted.

This British luke-warm attitude to the EU has nourished an attitude among English people of at least dislike – and frequently hostility – to the EU. And was a major reason for Britain not to join the common currency, or the Schengen Agreement.

# The Referendum

Cameron's announcement of a referendum was ill conceived, and hopelessly managed. With hind-sight, it is remarkable that the vote to leave was as close as 52/48.

It was ill-conceived because its sole purpose was to enable Cameron to remain Prime Minister after the last General Election by attracting votes from Ukip. It was about power, and not about Britain's place in the world. The irony of it!

As an aside, I recently read "The Fatal Path" by Professor Ronan Fanning which covers the negotiations in 1912 about the Home Rule Act. One thing that came through clearly in that excellent book was how little the leading people in London cared about Home Rule – one way or the other. They used the Bill to jockey for personal power. As a result, they came up with legislation which fell apart within ten years, leading to Ireland leaving not only the United Kingdom, but subsequently the Empire. And this was the start of the break-up of the British Empire, with Ireland being the first nation to leave since America in 1788. I was struck during the Brexit referendum with the similarities

to 1912. Boris Johnson – and others – did not really care about Brexit; it was a power grab.

The referendum was hopelessly executed in many ways, starting with Cameron's big "re-negotiation" of Britain's membership terms. No thought seems to have been given in advance of those negotiations as to what might be achieved; as a result, he built up unrealistic expectations in Britain. And when these were not delivered, his enemies were only too happy to exploit his failure.

The two big issues for the Leave side were immigration and the reduction in the British contribution. They maintained that Britain could have the same access as today, without these two disadvantages. That those on the Leave side lied, is beyond question. There was/is no possibility of Britain getting the same terms outside the EU as inside it; if nations could achieve this, why would they join and pay the price of being inside? This was not adequately put across by the Remain side to the electorate.

The most likely form of continuing association for Britain will be the Norwegian model. This involves continuing financial contributions and free movement of people the two main issues for the Leave campaign; this was also inadequately put across.

There is also a lovely irony in the fact that it is the British who most objected to the free movement of people from Central/Eastern Europe – for they are the very countries Britain pushed to bring into the EU. Nor was there any serious debate about the fact that most of the 330,000 immigrants to Britain come from outside the EU – 180.000 compared to 150,000 from the EU. If there are too many immigrants, why not restrict the 180,000 coming from outside the EU? Britain could do this today.

The performance of the Labour Party - which was in favour of remaining in was abysmal. As social reforms initiated in Brussels dry up – and even get to be reversed in Britain – the Labour Party will regret its inactivity.

If Britain does leave, its role in the world – upon which it sets great value – will diminish. The next US President will concentrate on building a special relationship with the EU, and with Germany in particular. Britain faces a loss of prestige, of slower economic growth, and possibly the breakup of the United Kingdom. Within ten years Britain might just be England and Wales.

All of which makes me question will they actually leave, as the realities sink in? As we commemorate the centenary of the Somme, it is surprising how few British politicians are rushing to "go over the top" in starting the withdrawal process! But as long as they

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delay with withdrawal process, they will continue to contribute financially, and for immigrants to access Britain from the EU.

#### FU

A hundred years ago, there were a number of empires in Europe – Britain, France, Germany, Russia, Turkey and Austria (which embraced Austria, Hungary, parts of Germany and linked areas including the north of Italy). Empires were the norm. Democracy was not.

Germany wanted to be more dominant, and largely instigated the First World War. It certainly started the Second World War. Both ended in disaster for Germany.

With the founding of what is now the EU, and especially following German reunification, Germany became the major force in the EU. They achieved through peace what they had twice failed to achieve through war.

The departure of Britain will increase Germany's influence within the EU. Perhaps not excessively, as other countries with big populations – such as Poland and Spain – become more prosperous; but German influence will increase. What Germany thinks will count in many places, such as Washington and Moscow – as well as within the capitals of the 27 members of the EU.

British newspapers wonder if the EU will survive following Brexit. I have little doubt that it will as long as it has French support – as it has had for the past 60 years. The fact that over 20 countries have applied to join the original Six, is testimony to the strength and attractiveness of the EU. And 19 of the 27 have Euro as their currency

And it is essential that it does survive. Not just to promote peace, democracy, and prosperity, but also security at a time of increasing Russian assertiveness, not to mention the civil war between Sunnis and Shias.

Kevin Norton

I believe that British withdrawal will result in the EU focussing more on deepening the EU, rather than further expansion. Turkey's wish to join will be put on a very long finger. And British withdrawal will make this "deepening" process easier for the rest. Early developments will see more integration in relation to the Euro and the banking system.

This focus on financial integration/stability, will facilitate Europe's grab for a large part of London's financial expertise/business. Frankfurt and Paris are only too eager to seize a big slice of this very profitable pie. (It was for this reason that London was the only part of England that voted to remain).

More also needs to be done to bed down democracy. This is something that gets overlooked too often. But democracy is a fragile plant in many countries which only recently became democratic in our Western sense - with the collapse of the USSR. Unlike Ireland, most countries in the EU do not have a 100 year tradition of democracy, and an independent judiciary.

#### Ireland

It is far too early to judge the impact of Brexit on Ireland. This will become clear only when the terms of Britain's continuing relationship are agreed. Until then, most comments can only be speculation. And it will take two years, at least, for the shape of the deal with Britain to emerge.

Clearly it will have a huge impact in relation to Northern Ireland, and the free movement of people. Will "people control" be in Newry and Derry, or in Belfast when people travel to Britain from Northern Ireland?

Ireland will have one unique advantage when Britain goes. English will continue to be the language of the EU, and Ireland will be the only English-speaking member of the Union.

This advantage, together with our stable political environment and educated workforce, will prove to be hugely attractive to investors from North America and Japan – and from China in the not too distant future. Britain's departure will be our gain in this respect. (And ironically, this will increase immigration into Ireland!)

In the meantime, Ireland can anticipate some benefits from the movement of financial services out of London to remain within the EU. As indicated above, most of this will go to Paris or Frankfurt. But it would be amazing if some of it did not come to Dublin.

#### Conclusion

This decision, unless it is reversed, will prove to be one of the more significant developments of the last 100 years – for Britain, for the EU and for Ireland.

The loss of Britain to the EU is to be regretted in many ways. But it will enable the EU to "deepen" in ways that would have been impossible with Britain within the Union. And this will be good for the EU, and for Ireland.

And should Britain decide to remain, hopefully it will be the end of that debate in England; hopefully, if it remains, it will become an enthusiastic member. And if this happens, the Brexit vote will still have been a very significant one