TALES OF BREXITS PAST
AND PRESENT
‘Culkin and Simmons new book offers an insightful, timely and fresh perspective on Brexit. Tales of Brexits Past and Present provides a novel historical perspective of prior Brexit-type situations interwoven with evaluations of future impact. Since the EU referendum in June 2016, attention has been invariably focused on the rationale behind Britain’s decision to leave; however, as we approach the start of the transition period, the real question for the UK’s economy is what will Brexit mean in terms of entrepreneurial innovation and growth? The authors present a series of questions and pointers towards potential solutions in order to understand the many challenges and opportunities that Brexit offers for entrepreneurs, innovators and policy makers. This book offers a meaningful and valuable contribution to the debate that I would highly recommend.’

Dr Paul Jones, Editor in Chief, International Journal of Entrepreneurial Behaviour and Research and Professor of Entrepreneurship & Innovation, Swansea University, Wales

‘There is a sense that Brexit is territory uncharted, that what we are experiencing is entirely unprecedented. This book explains that, really, there have been similarly disruptive experiences in Britain, and in England in particular. The book is part history lesson, part stakeholder manual and in part a stepping stone to help wider public debate. It advocates socially responsible policy to enable people to aspire, a focus on supply and markets, and in a departure from most economic and political narratives, it uses the experiences of the past as underpinnings for a rational approach to how opportunity might be engendered in the future. In doing that, in the current context of panic-laden Brexit noise, it delivers informed commentary and sensible suggestions.’

Dr Laura Galloway, Professor of Business & Enterprise, Edinburgh Business School, Scotland
‘It is said that History repeats itself, first as tragedy, second as farce. But what if Brexit is already the fourth time the same drama unfolds? In their socio-economic tour through English history, Culkin and Simmons provide three illuminating case studies of how the English have tried to break away from the continent before. A highly enjoyable and informative read that will provide new arguments for both “Remainers” and “Brexiteers”, as well as much needed insight for European scholars trying to make sense of British sensibilities.’

Dr Norbert Morawetz, Associate Professor in Entrepreneurship, Henley Business School, England

“There is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle than to initiate a new order of things”. Machiavelli (1513)

The one certainty, at this stage of developments is uncertainty, no one really knows how Brexit will all pan out. We can speculate, that’s all. As ever the matters in Ireland, in particular the border in Ireland is proving an obstacle and possibly a brake on a smooth exit for the UK. Will there be a hard border? And so, what if there is or even where will it be? In a recent survey undertaken by the Ulster University Business School most business entrepreneurs in Northern Ireland who responded felt they could deal with the uncertainty that BREXIT would throw up at them. NI’s business owners have demonstrated themselves to be entrepreneurial in the past, they are the sort of people who know a thing or two about how to deal with uncertainty and change. Culkin and Simmons present us with a radical new perspective on the issues, providing us with a different lens through which to view the possibilities and challenges facing modern-day UK. Historically Britain has been here before and survived. The authors contribute to the ongoing debate thrown up by BREXIT as to its benefits and threats. It is likely to be one that will go on for some time yet, engaging opinion in Ireland and across the European Union, never mind the UK. This text is a timely addition to that debate.’

Dr Pauric McGowan, Professor of Entrepreneurship & Business Development, Ulster University Business School, Northern Ireland
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TALES OF BREXITS PAST AND PRESENT

Understanding the Choices, Threats and Opportunities in Our Separation From the EU

BY

NIGEL CULKIN
RICHARD SIMMONS
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<td>AFME</td>
<td>Association of Financial Markets In Europe</td>
</tr>
<tr>
<td>BIS</td>
<td>Bank of International Settlements</td>
</tr>
<tr>
<td>DARPA</td>
<td>Defence Advanced Research Projects Agency (in United States)</td>
</tr>
<tr>
<td>DFID</td>
<td>UK Department For International Development</td>
</tr>
<tr>
<td>ECJ</td>
<td>European Court of Justice</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FANG</td>
<td>Facebook, Amazon, Netflix and Google</td>
</tr>
<tr>
<td>GPS</td>
<td>Global Positioning System</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>MSME</td>
<td>Micro, Small and Medium-sized Enterprise</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>OEM</td>
<td>Original Equipment Manufacturer</td>
</tr>
<tr>
<td>UKIP</td>
<td>United Kingdom Independence Party</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Trade and Development Organisation</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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Writing any book concerning contemporary issues runs the risk that events will overtake the narrative; this is especially true with a book going to press just as the Brexit saga reaches one moment of natural climax, namely the agreement and ratification of the UK treaty to withdraw from the European Union. Every day brings a new twist and turn to the story. Will there be a deal? Will Parliament ratify a deal? Which government minister will resign today? Against this febrile backdrop an obvious question, then, is why write such a book now and not after we know the actual Brexit deal?

The answer is as simple as it is challenging.

As we see it, the wounds of the 2016 Brexit Referendum have not healed—they have seemingly intensified. It is easy to imagine similar thoughts and emotions in the early 1530s at the start of the Reformation. It was when things started to hurt citizens on the ground (such as closure of the monastic welfare system in the mid-1530s) that serious trouble in the form of insurrections (e.g. the 1536 Pilgrimage of Grace) started to brew.

Brexit is potentially a more substantial change than the Reformation that is likely to impact both the economic and social dimensions of British life, rather than just one of them. It is not always apparent that the current round of negotiations is a starting rather than an ending point in the Brexit narrative 585-page draft ‘Withdrawal Agreement’ together with a short seven-page outline looking to a future that commits both sides to “combining deep regulatory and customs cooperations, building on the single customs territory provided for in the withdrawal agreement”. These talks have led to publication of a “draft”. The detailed discussion about future arrangements will continue after the UK leaves the EU and either be ‘eased’ by a transition agreement or take place against a sharp change, if there is no transition. This statement remains true despite a collective UK Cabinet decision to support the draft withdrawal agreement made on 15 November 2018. The furious reaction to the proposed deal on 16th November with ministerial
resignations and talks of votes of “no confidence” reinforce the already uncertain atmosphere.

It seems like we now face an inflection point in the debate, as reality sets in and the grand statements are translated into material actions that will impact on individual lives. Reality has a habit of either forcing change or forcing conflict notwithstanding the reams written about what sort of trade deal is best, and what sort of Brexit Britain wants. In practice, these discussions will, just as in the Reformation, only become real for most people if and when their daily lives are impacted. For example, if Brexit means the UK is effectively excluded from pan-European manufacturing supply chains we expect this to engender a vibrant debate as to what employment will replace the substantial number of relatively well-paid jobs dependent upon existing pan European supply chains. At the moment, the elements involved in this debate are being aired through ‘megaphone diplomacy’ where one side of the Brexit divide shouts at the other and vice versa. Listening and reasoned debate is often an early casualty of political and economic invective.

At some point, usually when change actually happens, reality dawns and one of three things can occur. If the change is benign, people will likely grumble a bit and adapt. On the other hand, if the change is perceived to be destructive, two further options present themselves. The first, what we term the golden option, is that a reasoned debate takes place about what to do next; and the second (sometimes the more common) is that the divides harden, often with very unpleasant social and economic consequences.

Our book is about this second “reality” stage of Brexit, when peoples’ day to day lives start to be impacted as reality starts to bite. In this context, we pose the question, ‘How can we make Brexit work as an engine for UK economic success and social coherence over the next quarter of a century and beyond?’

We make no apologies for identifying that entrepreneurs and innovators need to be at the heart of this future story; it will only be by constant adaptation to build and maintain a competitive edge in today’s that economic “social” success will be realised.

Our book is intended to contribute to the ‘debate yet to happen’. Just as Ebenezer Scrooge was forced to witness his Christmas Past, Present and Future, we have Brexit Past, Brexit Present and Post Brexit Future. Unintentionally our narrative in some sense ‘mimics’ Dickens as ours are intertwined with each other; and yet our future seeks to offer a way of
breaking with our present through understanding some of the better moments in our past and applying these insights into today’s complex and ever-changing world.

This book is for the Brexit Leaver, Remainer and Agnostic alike. There are no right or wrong answers in it. Our conclusions are in one sense a set of informed observations towards potential solutions. Perhaps one necessity for success could end up being all of us ‘Taking Back Control’ not only from Brussels but also from the ‘Westminster Political Village’ and its associated ecosystem of lobbyists, think tanks and consultancies.

If the entrepreneur is central to our future success, we collectively are central to equipping them with the practical framework to succeed. This book is about practical realism rather than high-minded theoretical dogma.

We would like to thank our publisher, our families and all of those around us for their support as this book has moved from clouds of ideas into words on paper. Especial thanks need to be given to John Cox for his thoughtful comments on an early draft of part of the manuscript, to David Finch for his very clear exposition of ‘Leave Campaign’ underlying concerns, to Michael Simmons for his help with the proofing and to all our colleagues and peers who have given their time to thoughtful debate on these issues.

For us, and we hope for you, this book should be a positive starting point and a springboard to action as to ‘what comes next’ in the ‘Brave New World’ of Brexit.

Prof N Culkin
Hertfordshire, UK
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December 2018
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INTRODUCTION

Every act of rebellion expresses a nostalgia for innocence and an appeal to the essence of being.

Camus (1956)

Brexit for some, is a rebellion against globalism and the European and domestic political establishment, and for others a desire for a return to a world of certainties, or may be an expression of hope for improvement with a leap into an unknown future. All these sentiments convey a feeling that something in society is implicitly broken and needs fixing; a feeling that has grown significantly since the 2008 Financial Crisis.

Today’s society is fluid as to how social groups both form and dissolve. Social and broadcast media, advertising and many other influences now engender the rapid formation and dissolution of social groups. In the Brexit context, both groups — Leave and Remain — feel their group and therefore their nation will ‘win’ if their policies are followed. Leavers were told it is possible to leave the European Union without a cost and gain significant longer-term rewards, whilst Remainers were told that to ‘Leave’ will come with substantial costs and few, if any rewards.

This book is about teasing out strategies and actions that deliver hope for economic improvement, realise sustainable social balance and where possible avoid social and/or disruption costs. The implicit assumption in this approach is that ‘Take Control’ should not mean ‘Create Chaos’. In doing this, we draw upon three underlying threads.

First is the need to understand why people who voted ‘Leave’ did so; the juxtaposition of which is what do they want to change to make their lives better? Second, we seek to unpack experiences from the past and see what
we can learn from the successes, failures, strategies and choices made in previous historical Brexits and third, we pose the question as to what must change in the UK today if Leave aspirations are to be realised? Our observations or reflections are not restricted to Brexit, but rather look at how the UK can build a competitive edge in today’s rapidly changing and unstable world.

**INSIGHTS FROM THE PAST CAN HELP US TODAY**

This is not the first time England has split from Europe. There have been previous Brexits; for example, the end of Roman Britain, the Henrician Reformation and the Elizabethan Settlement. If we look at the ruptures following the break with Rome in the 1530s, we see sharp divisions between Catholics and Protestants, some of which persist in some form right up to today. Will today’s divisions be as persistent? As the Italian philosopher George Santayana (1863-1952) said, *those who cannot remember the past are condemned to repeat it.* What can we learn from these previous Brexits? How can we apply these lessons to today?

**Brexit I: The End of Roman Britain — Economic and Political Brexit**

Arguably, the Roman Empire was the first ‘European Union’ with a Single Market and borderless trade stretching from Hadrian’s Wall in Britannia to the Eastern Empire and the Near and Middle East. Britannia’s AD 410 break from the Roman Empire is, despite considerable recent archaeology, previous antiquarian studies and much writing over the ages, still ‘opaque’ in the precise narrative of events, a bit hazy on the timing (approx. AD 408 to AD 430) and unclear in its exact impacts over time.

Following on from previous disturbances in the late 4th Century and a tendency for the elite to move from living in towns to living on country estates, this first Brexit was triggered by the Emperor’s removal of the Imperial Army from Britannia in AD 408, due to a pressing need to suppress the Gauls. It had happened before, but this time round it coincided with a cessation of tax payments to Rome by Britannia. One can imagine the
sentiment ‘why pay for something if I have no benefit? Better I organise it myself’. An early fifth-century form of ‘Taxpayers Alliance’?

Ceasing to pay taxes had indirect (and no doubt) unexpected consequences. Tax payments needed to be made in Roman Coin, and without them shipments of coinage largely ceased to Britannia after about AD 411. Without coinage, complex supply chains broke down and over time urban conurbations saw economic and political decline.

Despite archaeological finds such as Sutton Hoo and the writings of Bede, for the common urban dweller, Britannia slipped from the rich urbanised Province of Rome to a rural peasant-based Dark Age. Whilst every town was different, in general, urban settlements fell into disrepair (with some later revitalised during the Anglo-Saxon years), the monetary economy largely collapsed and markets and supply chains that enabled trade, and impacted the ordinary person seemingly disappeared (although evidence of limited volumes of high value imports at a slightly later time exists). This Brexit was bad news for towns and industries, but good news for agricultural economies based around gentry-held rural estates.

Brexit II: Henry VIII’s Legal Brexit

We move on to our second Brexit. In the 1530s, Henry VIII’s Chief Minister Thomas Cromwell executed a ‘Legal’ Brexit that separated the English State from the claspsof the Roman Catholic Church, notwithstanding that this Brexit was one immediate result of Henry’s need to divorce his current wife. This rupture in relations with Europe was also associated in England with a desire to promote the ‘nation state’ and in particular the ever-present need to fill the National Treasury. Despite the 1393 Statute of Praemunire that allowed the King to block church courts in the event of a clash between Church and State prior to the break with the Roman Catholic Church, accepted legal practice restricted the ecclesiastical court to matters specifically reserved for church courts.

Sometimes as in the EU today, contentious issues were resolved by carefully crafted ‘fudges’. Henry VIII was unfortunate that some of the usual flexibility to solve delicate issues (such as his divorce) were not available through the politics of ‘fudge’ when he needed them most. Negotiating options had been significantly reduced by international events such as the 1527 Sacking of Rome by Hapsburg troops loyal to Holy Roman Emperor
Charles V. Charles was the nephew of Catherine of Aragon, the wife Henry VIII was keen to divorce, meaning the Pope was temporarily under enhanced influence of one of the rulers who was against the divorce.

Henry VIII decided to force matters after Anne Boleyn became pregnant in late 1532. Thomas Cromwell was instructed to drive a series of bills through Parliament to enable the divorce, change the Royal Succession to reflect the new state of affairs and break with the Roman Church and its Ecclesiastical courts, whilst sequestrating church assets to bolster the King’s Treasury. As the legislation progressed towards the end of 1533, Cromwell started to organise an anti-papal campaign to stir passions to engender support for the legislation.

Legislatively successful, it is striking how these reforms unsettled both gentry and peasants and grew into the 1536 Pilgrimage of Grace insurrection. This revolt across Northern England caused Henry considerable concern, sufficient for him to take a lead role in quelling it. Overall, one is left with an impression that despite legal success, the changes of the 1530s had not bedded down in the country. There was alienation from the political elite in London, unrest due to challenging economic circumstances for peasants, dissatisfaction with taxes, a fear of losing the past and concern that local welfare for the poor was being dismantled.

Brexit III: Elizabeth’s Mercantilist Brexit

After the death of Henry VIII in 1547, his 10-year-old son Edward VI succeeded the throne, and England was governed by a Regency Council until the young king’s coming of age. This Council became deeply unpopular due to its religious, enclosure and currency debasement policies, which led to revolt. The rebellions of 1548 and 1549 (the Western and the Kett’s revolts) were especially serious.¹ Ferment and insurrection across Britain continued into Mary I’s reign with Wyatt’s rebellion of 1554 against the new Queen Mary (Henry VIII’s eldest daughter) marrying Philip II, King of Spain. Political unrest was combined with economic difficulty due to falls in real wages and significant inflation associated with the Great Debasement of the coinage (1544–1551). Added to this, there was instability in religion as Edward VI’s government followed a strongly Protestant policy to be succeeded by Mary I who banished the Protestants and reverted England to Roman Catholicism.
Following this turbulence, Elizabeth I, not surprisingly, faced considerable challenges upon her accession to the English Crown in 1558. England had been through over 20 years of deep change following her exit from the European Catholic System in the 1530s, to be then reintegrated into the same system by Mary I. There had been revolts from both gentry and peasants, falling real wages, a huge debasement of the coinage and so on and so forth.

Against this background of continual turmoil, Elizabeth was to execute yet another Brexit in early 1559 as she had Parliament pass the ‘Act of Uniformity’ and the ‘Act of Supremacy’ that together represent the ‘Elizabethan Reformation’. Notwithstanding these changes, in an early display of pragmatism, the Queen was able to be sufficiently “opaque” as regards her long-term intentions so as to avoid excommunication by the hard-line Pope Paul IV; an act that would have undoubtedly inflamed domestic Catholic opinion. In tandem, she avoided war with her European neighbours and successfully stabilised her succession.

Elizabeth’s Brexit is typified by pragmatism and together with a reliance on trusted relationships to enforce a separation from Europe that was more distinct and certainly far longer lasting than that of her father Henry VIII. At the same time, she was able to maintain England’s economic access to continental – especially the all-important – cloth export markets. Despite continued challenges to real wage levels for agricultural labourers, her reign delivered economic improvement including the nascent growth of some important industries and, advancements in supply chains across England and Wales to support the increasing urban importance of London. The trade deficit was eliminated, the national debt repaid (albeit repayment came from plundering the Spanish Main) and a process of diplomatic and commercial expansion into exotic lands of the East set in progress. Elizabeth’s Brexit was more than a reordering of relations with Europe, rather it was an opening to a more internationalist, entrepreneurial, buccaneering and mercantilist age.

THE NEED FOR ENTREPRENEURIAL EXCEPTIONALISM

If part of Elizabeth I’s success came from some of the colourful adventuring and entrepreneurial characters around her, the need for risk-taking entrepreneurs to innovate new products and markets remains just as relevant today.
Nostalgia and hope for improved economic circumstances are key aspirations of the Leave voter; but these aspirations need to be realised in a world where many of yesterday’s certainties seem to soon become today’s unknowns.²

The UK in 2019 faces a rapidly evolving world. Change is everywhere and in almost everything; technical change, economic change, political change and social change. Many of today’s key technologies were figments of public imagination 20 years ago. Who in 1989 when the Berlin Wall fell could have imagined that the world in 2018 could be facing a global trade war or that Donald Trump would be the US President? Who could have conceived in 1990 that so much human interaction could now occur on social media?

In 1989, China had yet to emerge as one of the ‘workshops of the world’, yet today is the globe’s second economic and an increasingly assertive global power. Even in 1999 less than 20 years ago, there had been no Western financial crisis in living memory, there had been no second Iraq War, no 9/11, the Good Friday peace deal was just being sealed and Russia was still enmeshed in the chaos of the Yeltsin years. Germany grappled with reunification; the Euro was yet to happen and the Lisbon Treaty had not even been thought of. We lived in a mono-power world with a single global power – the United States of America.

With the passing of each of the above events, old certainties died. If geopolitics have changed, who could have imagined how technological change brought about through smartphones, social media (from Facebook to WeChat) and e-commerce would impact on our world? The digitalisation of so many products and services have transformed consumer habits and buying patterns. High streets are increasingly threatened by moves to online purchasing as complex supply chains ripple across the world moving jobs, incomes and investments around countries and continents. We live in a world of uncertainty and change. There is every reason to suspect that this will be the new norm.

Economic success and economic well-being demands we keep up with and adapt to each and every trend. In this context, the most pressing question is, if and how we can turn Brexit into an opportunity for the UK to lead and succeed in this state of global flux? Success comes from the actions taken by individuals. Creating new products, markets and services that address changed circumstances is the life blood of opportunity-seeking entrepreneurs.
Perhaps the key ingredient for the UK’s future prospects will be in building, supporting, affirming and unlocking UK entrepreneurial exceptionalism.

SUCCESS HEALS DIVISION

As we navigate our way through previous Brexits to see what insights they offer, and explore how the UK can lead the way in such a rapidly changing world, for many there may be a sense of déjà vu. One question that may present itself is how can we avoid the current ‘Leave vs Remain’ and ‘Old vs Young’ divides becoming as deep and bitter as the Catholic vs Protestant splits that developed from the sixteenth century?

Perhaps the best chance of healing these divides can come from generating success and making such rewards shared between those who create it and contribute to it. Finding the right formula to develop and build the UK’s entrepreneurial capability to innovate, create world beating new products post Brexit, will be key to enabling this success. The good news is there are always entrepreneurs waiting in the wings, who can provide solutions just when they are needed. The perennial question is, will we be smart enough to recognise and listen to that entrepreneur and support them?

In 1564, England faced economic calamity as Margaret of Parma, Catholic Regent of the Netherlands closed the Antwerp wool market to English wool (the Antwerp handled the bulk of English exports at that time) on the pretence of plague in London. Relief was at hand as canny entrepreneur George Needham had already built relations with an alternative market location in Emden and had good relations at Court. The English sold their wool in Emden and Antwerp reopened. English entrepreneurial exceptionalism had outwitted Hapsburg centralism. Could the current tussle over UK participation in the European Single Market be an echo of Margaret’s earlier policy?

As we embark on our journey through previous Brexits, the first half of this book is structured as a tour through a gallery of former Brexits, where each hall holds its own collection and a final hall summarises our situation today. Following in the footsteps of nineteenth-century composer Modest Mussorgsky, we have animated this journey with a number of ‘Promenades’ as we walk from one hall to the next.
Each Promenade is designed to hold certain aspects of the ‘essence’ of our journey. Collectively, the Promenades form a detailed introduction to the later chapters, which in turn seek to ‘star gaze’ and chart a path towards a future economic success and associated social healings onto our blank canvas. So, in the second half of the book, we enter an artist’s studio – where we come to understand the pictures, their brush strokes and textures and other attributes to help us pose the question in our final chapter: which Brexit will it be this time?