

# EUROPE

The World This Week



## BREXIT FINALLY TAKES PLACE

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## BRITAIN OFFICIALLY LEAVES THE EUROPEAN UNION

It's official. More than three and a half years after the United Kingdom voted 51.89% to 48.11% to leave the European Union, it is no longer a member. Events on the January 31 withdrawal date were emblematic of the wedge Brexit has driven through the UK. Pro-Brexit supporters marked the passage of the 11pm withdrawal time with cheers and flag waving, accompanied by an official lightshow on Downing Street. Remain supporters gathered across the road from 10 Downing Street, and the message "we still love EU" was projected onto the White Cliffs of Dover. Over in Brussels the UK flag was removed from its flagpole outside the European Parliament and safely packed away for museum display.

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## What changes now?

In the immediate future, very little. The UK has now entered an eleven month 'transition period' during which it will remain part of the single market and abide by EU regulations. People, goods and services will continue to flow unrestricted across UK/EU borders until December 31 this year, when the transition period officially ends. The UK will also continue to pay its share into the EU budget. The EU has said that it will be possible for the UK to ask for the transition period to be extended, though UK Prime Minister Boris Johnson has ruled this out.

## What happens during the transition period?

Putin has tapped the current head of the Federal Tax Service, 53-year-old Mikhail Mishustin, for the position. A relative unknown, Mishustin is a surprise occupant of the position. Mishustin sailed through the approval process in the Kremlin-dominated Duma on January 16, with 383 votes in his favour out of a possible 424. The remaining 41 members of the Duma abstained, no one voting against Mishustin's appointment. Putin has appealed to the incumbent cabinet ministers to continue working until a new cabinet can be appointed.

## Why these changes?

The most important part of this transition period will [MD1] be the negotiations taking place between the EU and the UK in an attempt to finalise a trade deal prior to the deadline. If no trade deal is reached, then come December 31 the UK will find itself in the throes of a 'hard Brexit'. With trade relations reverting to World Trade Organisation (WTO) norms, tariffs and customs checks will be imposed on goods passing in and out of the UK. Working and residency rights for EU citizens in the UK may be automatically revoked.



Boris Johnson Unleashing Britain's Potential Speech  
Number 10 (flickr.com)

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A 'hard Brexit' would be catastrophic for the UK economy, placing enormous pressure on the negotiators of the potential trade deal. The sheer quantity of trade between the UK and the EU, along with legal and security links built up over 47 years of British membership makes this a monumental task. Furthermore, not only does the UK have to negotiate a trade deal with the EU, it must also do so with every other nation it trades with. This is because it will no longer be included in trade deals other nations have reached with the EU.

The saga that took 1,317 days and three Prime Ministers has finally reached its official end. However, in what is perhaps the most appropriate result given the quagmire Brexit has proven to be, the official end far from the end of the story. A 'hard Brexit' is still on the table, and all eyes now turn to the trade negotiators.



Members debate and vote on the EU-UK withdrawal agreement: European Parliament (flickr.com)

## Ireland: Historic General Election Result

Ireland went to the polls Saturday, February 8, in what proved to be a historic general election. Not only was this the first Irish general election ever to be held on a Saturday, it was the first to return a Dáil (Irish parliament) featuring three major parties. With 100% of first preference votes counted the two traditional major parties in Irish politics, Fine Gael and Fianna Fáil (both centre-right) gathered 20.9% and 22.2% of the vote respectively. The real surprise came in the form of the left-wing Sinn Féin party, which received 24.5% of first preference votes. Fine Gael and Fianna Fáil have dominated Irish politics since the conclusion of the Irish Civil War in 1922, with either one or the other having held power since 1932.

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## Who will form government?

It is not yet clear which party will secure enough support to form government. None of the three major parties secured enough of the vote to form majority government. Sinn Féin in particular may prove unable to fully capitalise on their surge in popularity, as they only ran 42 candidates for the 160 seat Dáil. Once all the votes are counted and exact numbers of seats are known negotiations will commence to form a coalition government. These negotiations will almost certainly include all three major parties as well as many if not all of the numerous minor parties. Fianna Fáil and Fine Gael took the position prior to the election that neither would form a coalition government with Sinn Féin. Both parties cited Sinn Féin's historical links with the terrorist Irish Republican Army (IRA) as well as incompatible political philosophies when doing so. However, after the election Fianna Fáil leader Micheál Martin did not rule out forming a coalition with Sinn Féin, but noted that "significant incompatibilities" remained between the two parties.

## What contributed to Sinn Féin's rise?

Known primarily for their nationalist focus, Sinn Féin capitalised on Ireland's housing affordability crisis and dissatisfaction with the status quo in the lead-up to the election. Rent prices have increased by 90% from their post-GFC low in 2011, however wages have only increased by 13% in the same period. Sinn Féin's proposed policies of capping and lowering rents garnered it widespread support, particularly among younger voters. Brexit also likely gave the party a boost, as it gave rise to increased support for a united Ireland. Sinn Féin's platform is constructed around securing a united Ireland, and the party has promised a reunification referendum within five years should it secure power.

While the rise in support for Sinn Féin marks this election as particularly historic, it is unlikely it shall translate into Sinn Féin taking power. Given that it took more than two months to form a coalition government following Ireland's 2016 election, it is unlikely this question shall be answered any time soon.