

# The OECD is making the same mistake as our negotiating team

According to Angel Gurría (above) of the Organisation for Economic Co-operation and Development, we should hold a fresh referendum to stay in the EU as this would be 'positive' for the UK economy. The OECD published its report as speculation mounts that Theresa May will shortly pull the plug on the Brexit talks. She is most definitely being encouraged to do so by a number of her MPs.

In response, Philip Hammond, the Chancellor, quickly made it plain that a second referendum was not going to happen and a number of Brexit-supporting Tory MPs expressed their indignation at the OECD's intervention, pointing out that it had consistently underestimated the UK's economic performance since last June's vote. Leaving the EU without a deal, however, is a different kettle of fish. There are sharply differing opinions among Brexit supporters about the probable consequences, ranging from predictions of a decade-long recession to a conviction that leaving under so-called WTO rules would bring economic benefit.

We will find out who is right in less than 18 months, but even if the OECD's gloom proves correct, in urging us to halt Brexit, it is guilty of making the same mistake as our negotiating team – viewing the EU as an economic project whereas it is predominantly a political project.

What swung it for the leave campaign was not money but sovereignty. The message on the red battlebus about funding the NHS was a red herring. We wanted to regain control of our country from a foreign power and to escape from a political project for which few of those who understood its true nature

had any enthusiasm. This is why we voted to leave and the EU's subsequent push towards closer union, as evidenced by Jean-Claude Juncker's recent "State of the Union" speech, has been a vindication of that decision.

Elsewhere on this blog, I have compared Brexit to a cancer operation. It will be painful at the time and a period of convalescence may be required afterwards, but leaving the condition untreated would be far worse – it will inevitably lead to death.

Therefore, even if we are less well off in the immediate post-Brexit period, than we might have otherwise been, it is a price worth paying. It seems that the majority of Brexit voters agree. We could draw parallels with 1939. We would have been much better off to declare our neutrality alongside Sweden and Switzerland if our relationship with Hitler's régime had been judged in purely economic terms at that time. That was not the course we chose to take and after all these years, most people still feel that we made the right decision to address the evil of German expansionism.

In the long term, I have little doubt that if Brexit is managed successfully, there will be economic benefit. It will be far easier from outside the EU to reorientate the focus of our trade from the sclerotic economies of Europe to more rapidly growing countries in Asia. Our fishing industry will revive and we can do more to nudge global trade away from protectionism when we regain our seat on bodies like the WTO rather than have someone from the EU speak on our behalf.

The short term is another matter, however. A short blip for which we can prepare (and from which we should recover within a year or so) – which is the most likely outcome of a smooth Brexit allowing us a reasonable degree of access to the EU's single market – shouldn't cause a recession nor generate any serious political ripples. A badly botched Brexit would be another matter. Substantial job losses, food shortages and a

sharp spike in inflation cannot be ruled out.

To return to the cancer operation analogy, yes, we have to go through with it. The sheer complexity of the issues already discussed in the Brexit talks highlights the amount of sovereignty which has already been eaten away by the EU. Given that this is such pioneering surgery, however, it would be good to be assured that the best possible team of surgeons are in charge. As the halfway point between the vote to leave and Brexit day looms on 9th November, some of us have yet to be convinced that this is the case.

Photo by Chatham House, London 