Thoughts on Certain Aspects of the Brexit and its Management

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This article examines certain aspects related to Brexit and its management—both from the side of the UK and the EU. We search for the answer to such questions, whether the Brexit is a crisis, and if so, then what certain effects can it have on the economy, society, everyday life, etc. of those involved, and if these effects were and are handled properly by those in charge. In addition, we review the timeline of Brexit, including the planned dates and events. The institutional background of the crisis management will also be examined in case of both parties.

Keywords: *Brexit, crisis management, devolved administrations, European Commission, European Union, financial-economic crisis, nationalism, United Kingdom*

Introduction

Is Brexit a Crisis?

Brexit is defined by the Oxford Dictionary as: "The withdrawal of the United Kingdom from the European Union."[2] The word "withdrawal" here means a relatively long and complex procedure, but we should not forget, that the relations between the UK and the EU has always been a bit "rocky". Just think about e.g. the establishment of the EFTA as a "counter-EU" by the UK along with some other countries (e.g. Denmark and Norway) in 1960; or about their reluctance to submit themselves to the European Monetary Union; not to mention their broad and often used opt-out licenses regarding EU-legislation. It is no exaggeration to say that even after they joined the EU (back then EEC) in 1973, the UK has always had its separate ways and means. [1: 241–242] [2: 111]

The so-called Brexit referendum was held on the 23rd of June 2016 and had a result of 51.9% of voters demanding that the UK shall leave the EU. [3: 1019] It means that the majority—although not the vast majority—of the UK citizens, who cared enough to cast their votes in the referendum, thought that for the British it would be better to be outside of the EU. It seems that the government is committed to execute the will of the people. But would Brexit be a crisis at all?

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[2]   See: https://en.oxforddictionaries.com/definition/brexit (Downloaded: 30.04.2018)

To answer the question, we have to give a definition to the word "crisis" (and also to the word "risk" since the two are closely tied). Drennan and McConnell quote the definition accepted by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), which defines "risk" as: "The combination of the probability of an event and its consequences". [4: 3–4] A manual issued by the House of Lords quotes former PM Tony Blair, who implicitly refers to risk as "a normal part of life" but "a potential damage". [5: 5] Koronváry defines crisis as: "A decision-making situation, in which events deteriorating the lives, physical safety, health, mental condition, or wealth of the individuum, or the member of a given group/organisation and those related to them, and others present take place." [6: 10]

In the next part we will detail how many risks does Brexit poses to those involved and prove that they suit the definitions above. Here we only give a typology of the risks which the author of this article has identified. First and foremost, there is an economic and financial crisis, which is quite apparent knowing that the EU is a primarily economic-focused entity. Then we have a complex political crisis, which also does not need too much further explanation. And the third category is denominated by the author of this article as human crisis, which embraces those social and human impacts of the Brexit, which do not fit into the previous two categories. As it was mentioned before, these will all be detailed below.

Structure and Methodology

The structure of this article is as follows. In the second part the abovementioned three main types of crises will be broken down to the exact crises and these will be detailed in order to help to understand why these are important for this article. In the third part we discuss the proceedings since the referendum, assess them from a crisis management aspect, and try to give predictions and scenarios for the future. Last but not least, in the conclusion, we summarize all knowledge on the issue.

The methodology is a quite simple qualitative approach here, since we have to examine phenomena from the aspect of certain terms (such as crisis and risk), therefore no quantitative analysis is required, except for the economic-financial risks, but fortunately the author of this article can depend on the works of economists with more comprehensive knowledge on the issue. The most important is perhaps the use of crisis management manuals. Some of them have already been introduced in the previous part.

Identifying Brexit-Related Crises

In this part we identify the exact potential crises which can arise or could have arisen from the simple fact of the Brexit. Therefore, here we describe these factors, and try to assess them along the potential risk they can pose.

Economic and Financial Crisis

The European Union is originally—and basically still—an economic integration. For this, the first and quickest effect of the Brexit referendum is a financial one—namely the depreciation of the British Pound. Also, the most durable impacts are those effecting the economy of the EU and the UK in its entirety. Therefore, in this part we focus on two things: the vulnerability of the British Pound (GBP)—and of the financial sector, and the potential economic effects of Brexit on the Common Market and on the British economy.

The Vulnerability of the GBP and the Financial Sector

Only within one single trading day, to the 27th of June 2016 (there was a weekend in-between) the Pound has virtually lost the 10% of its value and fell to £1.315 to the US dollar, reaching its 31-year low since 1985, below the value of the Pound's "Black Wednesday" in 1992 (the day when the Pound was forced out of the European Exchange Rate Mechanism). [7: 206] The severity of the uncertainty was considerably high even in 2017, the relevant authors all used the terms "uncertain" or "uncertainty" in relation to the term economy. [7: 207]

The City of London is geopolitically the heart of the finances of the whole of Europe: 40% of Europe's assets are under management and 60% of Europe's capital markets business are held by UK-based banks. And the City will definitely not relocate itself just because of the Brexit. When we say "geopolitical", we understand such advantages as the clearing infrastructure built up throughout the decades, the technological leadership of the City, etc. This is why the post-Brexit access of the City to the Common Market should be provided. The City of London embodies the archetype of Anglo–American financial capitalism, and still the abovementioned uncertainty and unpredictability makes the financial markets nervous. [8: 1–4] (Here we have to mention, that even the European Banking Authority, the banking supervision agency of the EU was located in London, but it has already been moved to Paris.)

In general, Brexit may force financial economic systems to transform more quickly and with much higher costs than previously anticipated, and reshuffle the spatial landscape of financial production accordingly, also with far-reaching impacts on the debt and equity markets that help financing states and the corporate world alike. [8: 1] However, there is place for optimism, because as an Italian investment banker made it clear after the referendum, there is a viable crisis management strategy for the situation: "We had worked before the referendum on how to prepare portfolios. Our decision to diversify asset classes and currencies proved right, so we did not experience any losses on the day of the vote. Indeed, Brexit has reinforced the idea that diversification works in times of crisis and that it is a better strategy than any others." [9]

General Effects on the Common Market

The "economics of international disintegration" as Sampson says can lead to serious consequences regarding the Common Market. Because the Common Market lowers trade

costs by reducing both border barriers to trade, which are imposed when goods and services cross borders, and behind-the-border barriers, which arise from international differences in regulation and economic policy. [10: 163–167]

First of all, the authors highlight the negative impacts of Brexit on the *international supply chains.* As Neuwahl puts it, the new situation is particularly damaging to supply chains. After Brexit, composite goods that previously circulated freely in the EU may no longer meet rules of origin and be subject to duties and certification procedures. This may lead to redirection of trade flows, reorganization and disinvestment, a situation that the UK Government seems to appreciate and accept, especially if shocks can be avoided. [11: 291–292]

In close relation with those mentioned in the previous paragraph, the problems of *immigration* and *foreign direct investments (FDI)* have to be discussed. Brexit will mean a reduction in both. Which means for instance that without the current model of FDI the UK's car production will reduce by 12%, and with a restricted immigration the GDP of the UK will be reduced by an estimated 0.9–3.4%. [10: 173] Naturally not only the UK, but the other party of the business will be affected in a negative way.

The UK itself has always been a *Euro-outsider.* For this, the Brexit has an implicit effect on the phenomena of voluntary and involuntary Euro-outsiderness. The leave of the strongest voluntary outsider will lead to incalculable consequences. Predictions say that the handling of the differentiated integration will depend on the one hand on the club of Euro-insiders, the institutional system of the Eurozone (e.g. ECB, Eurogroup, ECOFIN, etc.) who have to stay open to the non-members, and on the other hand on the preferences of the certain Member States themselves. [1: 238–246]

The resolution for these questions concerning the Common Market will highly depend on the way the negotiating parties will finally choose (see the scenarios below).

The Political Crisis

Under the category of political crisis, the author of this article understands different types of problems, which are interconnected of course. First of all, the legal regime of the EU has become part of the UK legal regime throughout the decades, and the British legal traditions are quite different from the continental Europe, however the EU legal regime shows some resemblances. Brexit itself is carried out through the initiation of the "Article 50 procedure" which refers to the leave clause in Art. 50 of the Treaty on the European Union (TEU). The final result of the negotiations, the "deal" itself is not only a legal, but also a political question, and the constitutionalist approaches cannot be neglected.

In relation to the aforementioned, *the future unity of the United Kingdom* itself is also at stake. In 2014 there was a referendum in Scotland, which almost lead to the separation of Scotland from the UK, but at the end the "remain" votes won. However, the "remain" votes won also at the Brexit referendum, in Scotland, and in Northern-Ireland. In the latter, the peace itself is very fragile. The question is, what will the future of Scotland and Northern Ireland be? These countries rather wanted to stay in the EU, but have to stay in the UK instead.

And connected to both questions above, we have to deal with another political term, which is *nationalism.* Just as in England and Wales, nationalism has led to the majority

of the "leave" votes, and as the outcome of the Brexit referendum fuels the Eurosceptic–Nationalistic movements and politicians throughout the EU, also the nationalism of the Scottish and the Irish can save—if such a scenario is plausible—almost half of the current UK for the EU. In consequence, this term has both positive and negative connotations here.

Legal Consequences and the Constitutionalist Approach

Art. 50 para. (1) TEU says: "Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements." As Tridimas points out, Article 50 is politically neutral. [12: 305] At the same time, as Eeckhout and Frantziou put it, this sparsely worded provision raises more questions than it answers, and is of course wholly untested. [13: 696]

What the authors tend to emphasize is the fact, that the withdrawal is legitimate, if it is "in accordance with its own constitutional requirements" of the Member State, as Art. 50 TEU says. In case of the United Kingdom, it is somewhat more complicated, than one would think at first glance. The outcome of the Brexit referendum is an expression of popular sovereignty, but is a consequence of an act of parliamentary sovereignty, the EU Referendum Act 2015. In the UK, both the government and the Parliament can legally choose to ignore a referendum. [3: 1020–1024] It is important because the notification—to the European Council in accordance with Art. 50, para 2 TEU, which is the formal start of the withdrawal procedure—can be revoked by the Member State in the following two years after which—in accordance with Art. 50, para 3 TEU—the Treaties cease to apply to the Member State. [12: 304] This is interesting because in conclusion of all the above said, a possibility of the revocation of the withdrawal is theoretically possible regardless of the outcome of the Brexit referendum. Nevertheless, there does not seem to be any political will by the British Government to do so, although the EU would give a warm welcome to it.

Nevertheless, the option of revocation should be considered because, as Eeckhout and Frantziou phrase it, the current political discourse on withdrawal, particularly in the UK, stands in a stark contrast with the constitutionalist approach to Art. 50, because this discourse completely disregards the fact that Brexit involves a seismic shock to individual rights. [13: 732] Why is that? Because as Douglas-Scott cites the former British judge at CJEU, Sir David Edward: "Withdrawal from the Union would involve the unravelling of a highly complex skein of budgetary, legal, political, financial, commercial and personal relationships, liabilities and obligations." Brexit will result in UK nationals losing their EU citizenship—a legal change whose implications has not yet been fully investigated. [3: 1028] Eeckhout and Frantziou add that extricating the UK from the *acquis communautaire* is a complex, wide-ranging and intrusive legal exercise, which raises questions of respect for constitutional guarantees relating to acquired rights and the rule of law. [13: 699]

How "United" is the Kingdom?

But the whole story would only be as "simple" as set out above, if the United Kingdom itself were not a union constructed by treaties. However, the United Kingdom consists of England,

Wales, Scotland and Northern-Ireland, from whom in Scotland and Northern-Ireland the pro-EU votes were in strong majority.[3]

First of all, Wales, Scotland and Northern-Ireland are so-called *devolved administrations.* Without getting into the details of the relevant legal framework, it is far enough to say that their relations with the Westminster (UK) Government and the EU is rather complicated, since a so-called *multi-level governance,* or *co-governance* is in function, which has altogether four levels (including the municipality level). Besides the division of power between the certain levels of government, it also means that we can speak about allocation of responsibilities between the UK and the EU; between the UK and the devolved administrations; and between the EU and the devolved administrations. [14: 766]

This latter relationship has a critical meaning in the field of *social policy,* since the devolved administrations have their separate EU funding, setting aside the EU Common Agricultural Policy, the most significant support comes through the European Investment and Structural Funds: Scotland and Wales profit from the European Social Fund; Northern-Ireland profits from the Structural Fund and most importantly from the specific Fund for Peace and Reconciliation. [14: 766–771]

The strongest "remain" voter was the Scottish electorate, with 62% of the votes for staying in the EU. [15: 98] Not so long before, in the Scottish Independence Referendum of 18 September 2014, the Scottish nation also voted for staying in the UK with a majority of 55.3%.[4] Considering all this, it is not surprising, that Scottish Prime Minister Nicola Sturgeon called to: "…take all possible steps and explore all options to give effect to how people in Scotland voted." One of this options is a new referendum on the independence, which relying on the public morale of Scotland after Brexit would probably result in the win of the separationists, driving Scotland and the UK Government in a hard political situation. [15: 766–767] The biggest question is whether there is a way for the devolved administrations to further profit from the *acquis communautaire*—especially the legal regime, e.g. the CJEU case law, and the EU funding—if the UK leaves the EU and they do not leave the UK?

In case of Northern-Ireland there are two more questions to be added: what will be the future of the results of the peace process, which was believed practically by everybody to be successfully ended in 1998, and in connection with that, what will happen on the Irish border, which is the only land border of the UK, in technical terms?

The Rise of Nationalism

It can be debated whether the outcome of the Brexit referendum was a pure victory of classic nationalism ("British bread for British toasters") or rather an economically rational decision, but it is clear that the result of it was a rise of the nationalistic political powers, and not only in the UK, but across the European Union.

In Scotland the pro-independence Scottish National Party (SNP) with the lead of Prime Minister Nicola Sturgeon, in the 2016 elections reached 56 seats of the 59 available Scottish

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[3]   See e.g.: http://theconversation.com/the-geography-of-brexit-what-the-vote-reveals-about-the-disunited-kingdom-61633 (Downloaded: 01.05.2018)

[4]   See: www.theguardian.com/politics/ng-interactive/2014/sep/18/-sp-scottish-independence-referendum-results-in-full (Downloaded: 01.04.2018)

seats in Westminster, and 63 seats in Holyrood—the Scottish Parliament—from the 129, where with the also pro-independence Greens (6 seats) they are the governing majority. [16: 358–359] And as the American ethnologist Knight stated, based on his own empirical experiences on field, it was "uncomfortable" to see the "nationalist projects of both Edinburgh and London". But he also recognizes that in a global view, in spite of the "uncanny present" Scotland managed to maintain its cosmopolitan values, and regarding the SNP he says: "many people, me included, feel awkward about a nationalist party becoming the progressive voice of cosmopolitanism, freedom, and social liberty". [17]

The bigger problem according to some authors is the precedent the Brexit referendum has set. Scuira considers not only the resistance towards supranational policies and the rise of Eurosceptic political parties in the Eastern Member States dangerous [2: 115–117] but also fears a potential wave of other exits such as "Frexit" (France), "Nexit" (Netherlands), etc. in Western Europe as well, and has doubts whether the EU itself is enough to stop such tendencies. [2: 121–122] After the re-election of Merkel, the election of Macron, and the weak performance of Geert Wilders in Netherlands, the author of this paper is not so pessimistic.

The Human Crisis

According to specialists of the *health sector,* approximately 10% of doctors working in the United Kingdom are from other EU countries, with even higher figures in sectors such as social care in some parts of the country, such as London. [18] In conclusion, the National Health Service of the UK and the whole British society will be in serious trouble if the health workforce coming from other EU countries, not having UK citizenship, cannot stay after the Brexit.

Of course, other sectors could be pointed out as well, where the proportion of employees coming from the CEE region is still higher (e.g. Hungarians and Polish in the catering sector), but maybe the most shocking is always when human life and health is directly at stake. Nevertheless, the *four basic freedoms of the EU,* and within especially the *free movement of persons*—under which we now understand natural persons, i.e. employees, students, and their close family members—is essential for the proper function of the Common Market, and once the access will not be provided for the UK, that will be disadvantageous for the citizens of both the UK and the EU.

Dealing with the Consequences

Since the notification towards the European Council by the UK Government has already happened—in accordance with the provisions of Art. 50 TEU—and there is little chance that the process would be reversed by a revocation by the UK, we can conclude that the dice is cast, and Brexit is inevitable. Which means that all the risks and potential crises related to it will be a reality soon. In this part, we first review the timeline of Brexit from the EU Referendum Act to the planned end of the process. Then we look at the institutional framework of Brexit and after that the possible scenarios of the results of the negotiations. We try to discuss and assess all the aforementioned from a crisis management aspect.

The Timeline of the Events Since the EU Referendum Act

This is what exactly happened until now, but how the whole process is expected to continue until the very end:[5]

- The EU Referendum Act has received Royal Assent (which in accordance with the UK law is the final step in the legislation) on 17 December 2015, after both chambers of the Parliament accepted it.[6] The Act itself was a consequence of the way how David Cameron won the general elections on 7th May 2015, namely leading a campaign focused on holding a referendum on the further EU membership, in order to keep the pace with the Eurosceptic–Nationalist UK Independence Party (UKIP) of Nigel Farage, who had achieved an unforeseen success in the EP elections on 22nd May 2014 and also in the municipal elections afterwards.
- On 23th June 2016 the referendum sees "leave" campaigners win a narrow victory with 51.9% against and 48.1% for "remain". David Cameron resigns immediately as Prime Minister (because although he campaigned with the referendum itself, he was among those Conservatives who encouraged the people to vote "remain"). On 13th July 2016 the former Minister of Domestic Affairs of Cameron, Theresa May became Prime Minister.
- On 29th March 2017 Theresa May triggers the Art. 50 procedure, which starts the clock on the two-years long negotiation process for the UK on the terms of leaving the EU.
- On 8th June 2017—having surprised many by calling a general election—Theresa May loses her majority in Parliament. Northern Ireland's Democratic Unionist Party (DUP) —led by Arlene Foster—makes a deal with the Conservatives and its votes allow her to stay in power.
- On 26th June 2017 formal negotiations on withdrawal begin between the UK and the EU.
- On 20th November 2017 the EU27 ministers in the European Council voted on the relocation of two very important, previously London-based EU agencies to other Member States. The European Banking Authority is relocated to Paris, and the European Medicines Agency is relocated to Amsterdam.[7]
- On 13th December 2017 rebel Tory MPs side with the opposition, forcing the government to guarantee a vote on the final Brexit deal, when it has been struck with Brussels.
- On 15th December 2017 the EU agrees to move on to the second phase of negotiations after an agreement is reached on the Brexit "divorce bill", the Irish border and EU citizens' rights.
- On 19th March 2018 the UK and EU make decisive steps in negotiations. Agreements include dates for a transitional period after Brexit day, the status of EU citizens in the UK before and after that time and fishing policy. Issues still to be sorted out include the Northern-Ireland border.
- According to the EU's chief negotiator, on 31st October 2018 the negotiations must be complete, to give the 27 EU countries time to sign off the deal. MPs will also get to vote on the final deal in the UK Parliament before 29th March 2019.

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[5] See e.g.: www.bbc.com/news/uk-politics-43546199 (Downloaded: 02.05.2018)

[6] See: www.legislation.gov.uk/ukpga/2015/36/notes/division/1/index.htm (Downloaded: 02.05.2018)

[7] See: www.consilium.europa.eu/en/policies/relocation-london-agencies-brexit/ (Downloaded: 02.05.2018)

- 29th March 2019 is Brexit Day—according to the current plans, because the two-years long negotiation process can theoretically be extended in accordance with Art. 50, para 3 TEU. On this day the UK ends its membership of the European Union at 2300 GMT and enters a transition period.
- On 31st December 2020 the transition period is due to end and the new economic and political relationship between the UK and the EU to begin.

The timeline above clearly shows that the leading British politicians had and have a tendency to drive themselves and the UK into potential risks and crisis situations. However, if the negotiations are conducted properly, the outcome can be of minimalized losses.

The Implementation of Crisis Management on the Process

As Koronváry writes, the life cycle of a crisis normally consists of five stages, [6: 13–14] which are:
- *latent stage*—when the crisis is still not experienced and/or identified;
- *assessed/identified crisis*—the stage of prevention, deflection and preparation;
- *conflict/crisis incident*—the crisis is triggered by certain factors;
- *crisis management*—de-escalation of the crisis and minimization of the losses;
- *reconstruction and after-care*—care for the negative consequences and prevention of the escalation of further crises.

The *crisis management* itself consists of the stages of prevention, preparation, reaction and reconstruction. [6: 19–20] It is very important, that for a successful crisis management a *crisis manager* and a *crisis team* is needed. [6: 23–24]

In case of Brexit, the institutional background seems to be given. Both sides have an institution which can be identified as a crisis team. On the side of the UK, there is the *Department for Exiting the European Union*[8] currently led by Permanent Secretary Oliver Robbins, who can be called the crisis manager here.[9] And on the side of the EU there is the *Taskforce on Article 50 negotiations with the United Kingdom*, which is virtually a part of the Commission—the Commission is the negotiator organization—and is led by chief negotiator Michael Barnier.[10]

What is the real question here, is whether all the potential crises discussed in the second part of this paper —and the author is sure that there can be further ones, either because they are still latent, or simply because they were skimmed over by the author—are properly identified by the institutional frameworks of crisis management of the parties. Hopefully everything relevant will be taken into consideration and addressed properly.

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[8]   See: www.gov.uk/government/organisations/department-for-exiting-the-european-union (Downloaded: 03.05.2018)
[9]   See: www.gov.uk/government/publications/biographies-of-the-civil-service-representatives-for-the-negotiations-with-the-eu (Downloaded: 03.05.2018)
[10] See: https://ec.europa.eu/info/departments/taskforce-article-50-negotiations-united-kingdom_en (Downloaded: 03.05.2018)

Possible Future Scenarios

When we talk about possible future scenarios, we have to differentiate between two separate things: the Brexit deal itself, which means on what terms the UK leaves the EU; and another deal which settles the question of the further relations between the UK and the EU.

Possible Scenarios of the Brexit Deal

There are virtually two alternatives, which are dubbed in the civil discourse as "hard Brexit" and "soft Brexit". There is no strict definition of either, and they sometimes mean different things to different people, but they generally refer to the closeness of the post-Brexit relationship of the UK with the EU.

The "hard Brexit" could involve quitting without a deal in place. This would mean no compromise on issues like the free movement of people, leaving the EU Common Market and trading with the EU as if it were any other country outside Europe, based on World Trade Organization (WTO) rules. This would probably also mean that the UK and the EU would probably apply tariffs and other trade restrictions on each other.

The other option would be the "soft Brexit", which could involve keeping close ties with the EU, possibly through some form of membership of the European Union Common Market, in return for a degree of free movement.[11]

Possible Scenarios for Further Relations

A document was issued by the UK Government in 2016 under the title *Alternatives to the Membership: Possible Models for the United Kingdom Outside the European Union.* In this, three scenarios are sketched, based on the relationships of other third countries with the European Union. [19] These are briefly summarized in the document as follows:
- "The Norway model"—Norway is in the European Economic Area (EEA) 11 but not in the EU. This is the model outside of the EU which is most integrated with the Common Market. It means that Norway has considerable access to the EU market. It also takes part in some important non-economic cooperation negotiated separately, like counter-terrorism. The Norway model includes many of the key obligations of EU membership, and Norway makes contributions to EU spending. Norway is required to follow most of the rules of the Common Market, though without a vote or vetoes in how those rules are made. It has to accept the free movement of people and it has chosen to be part of the Schengen Area. Norway has a higher share of EU migrants per capita than the UK.
- "A negotiated bilateral agreement"—There are different ways this can be done. Such arrangements typically offer limited access to the Common Market, offering some combination of tariff-free trade, open access to the services market and guarantees that companies operating in these markets are treated in a fair and non-discriminatory way. But they rarely go far in establishing a Customs Union or addressing non-tariff barriers.

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[11]   See: www.bbc.com/news/uk-politics-37507129 (Downloaded: 03.05.2018)

Switzerland's arrangements with the EU go furthest in replicating the benefits of EU membership, but bring an increased proportion of the obligations, including accepting the free movement of people, making a significant contribution to EU spending, and compliance with the majority of rules governing the Common Market. (For this, the CETA, the EU–Canada Comprehensive Economic and Trade Agreement could be a model. Neuwahl mentions the possibility of a so-called *CC–CETA, a Comprehensive Cross-Channel Economic Free Trade Agreement.*[12])

• "WTO membership"—The UK, like all other EU countries, is a member of the WTO. If the UK had not agreed a new relationship with the EU by the time we left, then we would have reverted to our common membership of the WTO as the basis for trade—just like Brazil does in its trade with the EU. Under WTO rules, this would not include any preferential access to the Common Market, or to any of the 53 markets with which the EU has negotiated Free Trade Agreements. It would also affect the price of imported goods paid by UK consumers, if reciprocal tariffs were imposed on imports from EU countries. It would involve no coordination or obligations in non-economic areas like fighting crime or terrorism. [19: 15]

Conclusion

This paper tried to focus on the potential risks and crises arising as a consequence of the Brexit and attempted to categorize these, rather than going into the exact details of the related crisis management process. The latter would have been pointless for two reasons, primarily because right now the parties are in the middle of the negotiations i.e. the crisis management process, and it will make much more sense to assess the whole retrospectively when it will be complete, and secondarily because both parties—hopefully—are in possession of the necessary resources (i.e. infrastructure, human resources, knowledge, common sense, etc.).

The categorization (of potential risks and crises) we give in the second part is of course arbitrary, but the author of this paper is convinced that it is a reasonable way to categorize these. As it was mentioned before, it cannot be excluded, that there are some potential crises related to Brexit which are still latent and are therefore not included here.

To sum it up, naturally it is enough to look at all these potential risks and crises and the resources necessary to tackle them to conclude how unfortunate is the whole Brexit phenomenon. But *alea iacta est,* and there is a good chance that the parties will find the solution to make the most of it.

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