

Now, a 'Brivot' to Asia?

BY BUNN NAGARA



Silver lining: *EU ideology aside, Brexit can have tangible benefits and some are already emerging – AFP*

Instead of being the end of the good old EU days, Brexit may just be the beginning of Britain's new productive relations in Asia.

FROM the start, arguments over Brexit had been skewed on several fronts. Mainstream international media tends to be negative about Britain's exit from the EU. The ills of withdrawal are often seen to overshadow the benefits.

Since a majority of Britons voted for Brexit for distinct reasons, why do media reports fail to portray its benefits – whether substantive or perceived – at least half the time?

This may be due to corporate media interests, since EU regional integration favours them over those of small and medium enterprises (SMEs) disproportionately saddled with the costs of EU regulations.

There is also the secondary causality factor, or "opprobrium by association".

For example, Donald Trump – seen as inhospitable to migrants from minority communities – mistakenly endorses Brexit for shutting out immigrants, so those who consider themselves more liberal on immigration policy reject Brexit for being "xenophobic".

EU membership in fact discriminates in favour of mainly white European migrants and job-seekers, against those from other continents and even Commonwealth countries.

Disentangling itself from the EU allows Britain to form new associations and develop old ones with other countries independently. Prime Minister David Cameron and former Defence Minister Dr Liam Fox mentioned the Commonwealth countries as being among them.

Third, the media disinclination to Brexit may also be caused by the lack of quantifiable benefits, real or anticipated, readily shaped into prime time sound bites. It is much easier to cite the trade volumes Britain may lose in Europe than the greater democratic prerogatives that Britons would enjoy.

Yet even this does not explain the common bias against Brexit. The anticipated or presumed losses, however detailed in numbers, are no more than projections and extrapolations since Britain has yet to leave.

Since both the costs and benefits of Brexit are equally notional or hypothetical, they should be entitled to equal time. But pro-Brexit hopes, aspirations and promise are not entertained anywhere as much as anti-Brexit doom, gloom and warnings.

Even champions of Brexit have been distracted from their primary task in having to defend their position against critics. They might have argued that Britain's best years were before joining the European project, while many an EU country has seen its worst years after joining it.

The reasons for the rise and fall of European powers are complex and need not directly implicate the EU. But the fact that for decades "Europe" has failed to arrest and reverse the decline of once-mighty colonial powers seems to testify to the EU's limits.

For now the bigger questions are: must Brexit mean assured decline for Britain, and are there no silver linings at all? EU ideology aside, Brexit can have tangible benefits and some are already emerging.

On July 7, the *Wall Street Journal* reported that the plunge in interest rates caused by Brexit has produced a spike in US mortgage refinancing.

Mortgage rates have fallen along with long-term rates. An index of refinancing activity for the week ending July 1 rose 21%, the highest in 18 months.

On the same day, Associated Press reported that European stock markets rallied in anticipation of the US Federal Reserve holding off on raising interest rates. The lower rates may hold until next year.

Politically, British-US relations are likely to improve as well without a European "filter". Their "special relationship" is unfazed by Brexit and may grow in the absence of continental encumbrances.

British Secretary of State for Business, Innovation and Skills Sajid Javid is already on a five-nation tour to discuss new and improved trading arrangements.

His first destination was India, which has huge investments in Britain. India's growth is no less than China's at some 7%, at a time when all other emerging economies are slowing.

India is already the third-biggest foreign investor (fdi) in Britain, and may soon tie with France for second place. Over the last decade the number of British companies operating in India grew 300%.

Today, more than 800 Indian companies in Britain employ well over 110,000 people, while British companies in India employ about 691,000 people. All of this is set to grow on both sides.

Other Commonwealth countries in South Asia are Bangladesh, Pakistan and Sri Lanka. Although many Commonwealth members are small with little economic heft, the major countries in South Asia are in it.

The other countries on Sajid's list are China, Japan, South Korea and the US. All major economies in North-East Asia are covered, including the world's second- and third-biggest.

Despite the relative decline in China's growth data, it is still the world's most promising economy over the longer term. Vastly improved trade with China remains the grand bargain of many developed countries, particularly those in Europe.

As the jewel in Britain's mercantile "crown" for centuries, trade with China is not to be underestimated. It was the prime reason for Imperial Britain's involvement in the "Far East," including Borneo (Brunei, Sarawak, British North Borneo or Sabah) as a convenient way station for sailing ships to Chinese ports.

Centuries ago, European countries were so strong that they competed among themselves for overseas territories as colonial possessions. Today, the EU is desperately holding them together to prevent many an individual slide into history's abyss.

As a region, modern East Asia is the hub of global economic activity when it was once divided by various European imperial powers. After an initial focus on North-East Asia, post-Brexit Britain may soon consider building on its links with South-East Asia.

Of the 10 Asean countries, four had been part of the British Empire with three of them in the Commonwealth today.

Other Asean members such as Thailand have also had centuries-old trade with Britain.

However, in upgrading its ties in this region, Britain should avoid the mistake of France in the 1990s.

Depending narrowly on nostalgia in the Francophone countries of Indochina to boost its regional influence, Paris found itself irrelevant as the rapidly developing region passed it by.

During the Cold War, Soviet influence meant the older French-speaking generation had been replaced by Russian, then later German speakers, with technical training sourced in East Germany. Few Francophiles have survived.

Today, the CLMV countries are more interested in learning English for better progress in a globalised world. Meanwhile, the US "pivot" focuses on militarism rather than economics.

In the colonial era Britain led Europe in carving out the largest expanse of overseas territories and possessions. More recently, it again led Europe in signing on as a founding member of the China-led Asian Infrastructure Investment Bank (AIIB).

Now, Britain has struck out again on its own to exit the EU, whether or not other member nations follow. The impulse remains to act distinctly and uniquely based on its perceptions of its best interests.

A "Brivot" to Asia may now be in order for Britain. As with Brexit's concern over immigration, it is about exploring new vistas, not shunning contemporaries by retreating into the past.

Through the AIIB and later One Belt, One Road, Britain could be instrumental in forging vastly productive linkages between East Asia, South Asia, Central Asia and Europe.

That could help revitalise Europe in a way no EU country could have imagined. By then, Brexit would be fully vindicated.

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