

## Twitter Thread by Objective Columnist



**Objective Columnist**

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**A quote from this excellent piece, neatly summarising a core impact of Brexit.**

**The Commission's view, according to several sources, is that Brexit means existing distribution networks and supply chains are now defunct and will have to be replaced by other systems.**

Brexit reality bites: The new dawn of trade friction via [@RTENews](https://t.co/p6VdlhZUAN) <https://t.co/p6VdlhZUAN>

— Tony Connelly (@tconnellyRTE) [January 9, 2021](#)

Of course, this was never written on the side of a bus. And never acknowledged by government. Everything was meant to be broadly fine apart from the inevitable teething problems.

It was, however, visible from space to balanced observers. You did not have to be a trade specialist to understand that replacing the Single Market with a third country trade arrangement meant the end of many if not all of the complex arrangements optimised for the former.

In the absence of substantive mitigations, the Brexit winners are those who subscribe to some woolly notion of 'sovereignty' and those who did not like freedom of movement. The losers are everyone else.

But, of course, that's not good enough. For understandable reasons Brexit was sold as a benefit not a cost. The trading benefits of freedom would far outweigh the costs. Divergence would benefit all.

It's pretty obvious that the damage caused by the impairment of a country's previous competitive advantage will not be repaired overnight. It's also clear that the development of a new form of competitive advantage is much more than signing a few trade agreements.

Drastic steps will be required. Wholesale deregulation is the most obvious path. Otherwise what was the point of this Brexit? Consider it an experiment. Is it possible to build a shiny new political economy on the shores of the European hegemon?

Radicalism is required (this is the Cummings thesis). And as the state and the economy are remodelled, the path is smoothed by gigantic state subsidies to favoured industries. The cynical might note that this is not exactly conservative.

The problem is that this grand plan is astronomically unlikely (though not impossible). To begin with, it is probably not consistent with the new trade deal which would need to be abandoned with all the additional grief that would bring.

More fundamentally, the public seems to have little appetite for radical deregulation. And finally, there is no evidence in government of the sort of experience and intellectual acumen required to come close to making this plan work. Quite the opposite, as the pandemic has shown.