



EconoMag

Britain: A 21st Century Venice?©

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When asked about their vision of the UK after a Brexit, some *Leave* supporters have Singapore in mind: a small economy open to the rest of the world. But is this very realistic? Britain is a much bigger country than Singapore, Switzerland or even Norway. The military has suffered budget cuts but it is still powerful. The UK has nuclear power, it has a seat on the UN Security Council, was the strongest power in the 19th century, and still enjoys a high level of diplomatic influence, in particular with the Commonwealth. Having power and influence also means having responsibilities, so it is hard to think of Britain becoming neutral and irrelevant in terms of geopolitics and diplomacy.

The other model is Venice in the Middle Ages: Britain is already a major trade and financial centre in Europe and in the world. Could it thrive even more after a Brexit with less EU bureaucracy? When we look at the history of Venice and other Italian city-states, it is rather dubious. Venice was not simply a city-state. It had a maritime empire in the Mediterranean, and it had sizable land holdings in Northern Italy. The maritime empire established during the Crusades disappeared in the 15th and 16th centuries. The Ottomans first conquered the Byzantine Empire and Egypt where Venice had many trade posts, then they invaded Cyprus and other islands owned by Venice and gained control of the Mediterranean Sea. Venice tried to compensate for the loss of its maritime empire by conquering some parts of Italy. Venice played a major role in the Italian wars between France, Spain and the Papal States in the 16th century, but eventually Spain gained domination over most of Italy. The Venetians could not compete, and their influence vanished until the Napoleonic conquest in the 18th century.

What does it tell us about Britain? In a sense the British Empire was not very different from the Venetian Empire. While the Venetian fleet dominated the Mediterranean, the British navy dominated the oceans, and many parts of the world. But like Venice, when Britain lost its colonies, it also got poorer and lost its influence. Britain in the 60s and 70s was the “sick man of Europe”, its economy lagging behind France and Germany. Britain has enjoyed a strong come back since it joined the EU. If Britain decides to leave the EU, it would likely suffer if the EU continues to integrate. Venice managed to stay strong

while Italy was divided, but it was not strong enough against Italy dominated by one single power. If the EU becomes stronger and more unified it will be able to put more pressure on the UK, and make it less and less relevant as a world power. In particular, France or Germany would make it harder for financial activities to take place in the UK. Financial supervision is already a contentious issue as Brussels has little control over activities that take place in London's financial marketplace but affect the Euro economy. After a Brexit many of them would be forced to come back to the continent, because a strong power cannot consent to such strategic matters being handled abroad without being able to impose their own regulations. It is a matter of sovereignty.