Africa Responds to Brexit: British Government, European Union, World Capitalist Markets in Disarray

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A referendum on the future of the United Kingdom (UK) within the European Union (EU) divided both the ruling Conservative Party (CP) and its main rival, the Labor Party.

Results from the vote gave the Leave side a 52-48 percent profound victory that reversed the decision of 1973 when Britain entered the-then European Economic Community.

Prime Minister David Cameron announced his resignation on June 24 paving the way for Boris Johnson, the Conservative Member of Parliament (MP), who led the political break with Downing Street, placing him in a position to succeed the incumbent when he steps down in the immediate future. On the Labor side of the aisle, Jeremy Corbyn, considered as a representative of a more leftwing trend within the party, is also under fire for taking the same position as the Conservatives supporting the Remain forces although in a very lackluster fashion.

Corbyn spoke after Cameron before the UK parliament on June 27 and was heckled by members of his own party. Over 20 shadow cabinet ministers for Labor have resigned demanding that Corbyn relinquish his leadership position.

International financial markets have plunged in response to the British vote to withdraw from the EU. Bank stocks have tumbled significantly with Barclay's and the Royal Bank of Scotland (RBS) suspending trade during a brief period on June 27. The British pound suffered its largest loss in over three decades.

The Chancellor of the Exchequer, George Osborne, a Conservative MP, made a national address in an effort to calm fears among capitalist investors stressing that this was only a temporary correction and that it would not rise to level of 2008 when the world fell into the most severe recession since the Great Depression. Standard & Poor downgraded the British economy amid the decline in markets on June 27.

The debate surrounding the Brexit vote has been acrimonious and violent. Labor MP Jo Cox, a proponent of Remain, was assassinated by a right-wing zealot leading up to the election. Simon Wooley, who monitors racial incidents in Britain, said over the British Broadcasting Corporation (BBC) on June 27 that incidents of racism and xenophobia had increased by 57 percent over the last few weeks before and after the referendum.

Responses to Brexit by Several African States

The decision by British voters to quit the EU has implications far beyond its own nation.

Both neighboring Scotland and Northern Ireland, which are part of the United Kingdom, voted in a comfortable majority to Remain. These developments have prompted calls from Scottish First Minister Nicola Sturgeon and Northern Irish Sein Finn Deputy Leader Martin McGuinness to hold their own referendums on independence from Britain.

With Britain being the largest former colonial power which controlled vast territories of the world in Africa, Asia, the Caribbean, North and South America, its economic and cultural influence is immense. The Commonwealth of Nations, which was established by the British monarchy, still encompasses 53 countries linked by economic relations.

Consequently, numerous African states have various responses to the Brexit referendum and its potential impact on their political and economic affairs. Throughout the leading African states there has been an economic downturn over the last year resulting from the decline in commodity prices, the devaluation of currencies, a reduction in foreign direct investment along with the effects of El Nino in the southern region as well as the escalation of social and labor unrest in states such as South Africa, Zimbabwe, Egypt, Nigeria and Ghana.

South African leaders stressed the need to limit the impact of the outcome. The EU is the largest economic bloc trading partner with South Africa requiring the government to renegotiate trade agreements with both the UK and Brussels.

Finance Minister Pravin Gordhan attempted to reassure the people that the country was capable of dealing with the effects of the Brexit vote.

An article published by Business Day Live noted “Gordhan urged business, labor and the government to continue co-operating to support investor confidence. Business Unity SA (Busa) CEO Khanyisile Kweyama said the long-term implications of Brexit on the local economy were yet to be fully understood. Of particular concern was Brexit’s immediate effect on the rand and local markets, she said. The rand tumbled more than 7% to R15.67/$ following the news, but has since recouped some of those losses.” (June 24)

Zimbabwe welcomed the outcome citing London as the main culprit in the sanctions regime that has crippled the economy for the last decade-and-a-half. The state-run Herald newspaper acknowledged that the UK, EU and the United States were united in their economic sanctions against the government of President Robert Mugabe, the leader of the Zimbabwe African National Union-Patriotic Front (ZANU-PF) ruling party. (June 26)

ZANU-PF Foreign Affairs secretary Ambassador Joey Bimha emphasized that the government was looking forward to an EU policy shift on Zimbabwe. Bimha said: “We will wait and see developments after this. It is not something that we can make a judgment at this point in time. In the EU, there were a number of countries which supported it (Britain) in maintaining those sanctions and those countries remain in the bloc and can still push a policy that the sanctions remain in place. It is not anything we can celebrate about in terms of removal of sanctions. Government will for now monitor the situation.” (June 26)

The Democratic Republic of Congo (DRC) ambassador to Zimbabwe, Mwananganga Mwawampanga, took an historical approach saying the abuse some African states endured under the control of Britain, the break-up was welcome. “Briefly, I can say it might be sad for Britain and Europe, but Brexit is good for Africa, it is good for Zimbabwe.”

Former Zimbabwe Ambassador to the EU Christopher Mutsvangwa said now that Britain is departing from the EU, "Brussels should return to unfettered productive engagement." He went on to say "Constructive multi-dimensional engagement was fettered by neo-colonial pretensions of post imperial nostalgia."

Nigeria facing an economic downturn like South Africa with currency devaluations, foreign exchange liquidity problems and rising unemployment, expressed regret over the vote but will struggle to deal with the potential negative consequences of the historic decision.

According to News24, the news agency "reported that the decision of Britain to pull out of the European Union will undoubtedly have a negative impact on Nigerians as the country is a member of the British Commonwealth. Nigeria has strong economic ties to Britain with it being the second largest trading partner in Africa, behind South Africa."

The Egypt Daily News reported that Brexit is having a negative impact on its financial markets already strained due to domestic unrest and the lack of capital inflows. The paper said "Brexit impacted the Egyptian Exchange's (EGX) performance on Sunday (June 26), with stocks dropping by 5.54%, closing at 6,851.6 points. As a result, the EGX lost any profits achieved throughout 2016, and its performance turned from a positive to a negative, registering losses of 2.2% since the beginning of 2016." (June 27)

Inside Britain leading left parties in the country supported the Leave position noting that the EU is an imperialist construct that has intensified exploitation of the working class. The various parties did differ on the rising split within the Labor Party which on June 27 resulted in high-level defections from the opposition under Corbyn's leadership.

The Morning Star of the Communist Party of Great Britain (CPGB), Proletarian Online of the Communist Party of Great Britain, Marxist-Leninist (CPGB-ML) and The New Worker of the New Communist Party of Britain (NCP), all called for their members, supporters and readers to reject staying within EU.