

I recently participated in a roundtable discussion about the likely impact of Brexit on transatlantic business. The participants represented banks, asset managers, law firms, and included a distinguished economist, a retailer with operations in the UK, a major property developer and senior executives from a variety of business consultancies. Most of the participants were American, but there was a sprinkling of British citizens, who were readily identifiable by outward manifestations of the psychological shock the referendum result had caused, and by a clear sense of having been diminished in terms of their stature in the world and, particularly, with the group of people at the meeting. They need not have worried; the striking aspect of the debate was the sanguine reaction of the American participants.

The conversation started with an eloquent setting of the scene by an Englishman who has spent much of his professional life working on both side of the Atlantic Ocean (not me). He explained the background to the decision to hold a referendum and the initial laissez-faire approach to the process, which mirrored the attitude toward the earlier vote on Scottish devolution. That had turned into a real cliffhanger when it looked likely that those in favor of an independent Scotland might actually be successful. Why, then, would the Conservative Party embrace the idea, and the risk, of a referendum on membership to the European Union? The explanations are interesting, but they held little sway with the Americans present.

The fund managers talked enthusiastically about investors once again favoring emerging market funds over European ones. This, they argued, was an encouraging development because returns were likely to be enhanced. The retailer talked about the potential for improved sales as the plunging value of Sterling was increasing tourists' spending power. And the real estate developer, who is in the middle of building a large office block in Central London, was confident that demand for space would remain high. Only the professional services firms expressed concern about what the decision would mean for their European operations.

Banks, encouraged by the UK government, had been very vocal about the importance of the UK remaining in the EU before the vote, but are now virtually silent on the subject. Support for plain speaking has flipped into criticism of organizations that are seen as being negative.

The power of populist rhetoric has triumphed. British voters were swayed by hollow promises based on lies designed to appeal to their basest instincts. From a communication perspective, the lesson to be learned is an important one: it seems most of the people can still be fooled most of the time by the cynical manipulation of facts, but purveyors of lies need to be prepared for a powerful backlash.

If ever there was a need for a vibrant Fourth Estate, it is now.