

The politics of Gibraltar are outdated folly pursued in...

Published: January 12, 2026, 9:55 pm

I suggested that it was time to [say goodbye to Gibraltar](#) on this blog last year. I was explicitly discussing the future of the British Overseas Territory in the context of Brexit. And as I said at the time:

Gibraltar is an outpost of an era that still exists only in the minds of the likes of William Hague. It's a remnant of Empire and colonialism that has no place in a modern Europe, in which the UK apparently wants no part. And it is funded by its activity as a tax haven and centre for offshore gambling. The first activity is intent on undermining the global economy and the legitimate tax revenues of democratically elected governments. The other is wedded to destroying individual lives. Quite emphatically, this is a place that is dedicated undermining well-being.

That upset some Gibraltarians: I responded to their comments, and dismissed them all, [here](#).

It was not the first time I'de discussed the issue on the blog though. I had done so several times before. For example, in 2013 [I noted that](#) time what Simon Jenkins had written of Gibraltar in the Guardian, [where he had said](#):

Such colonies claim to be "more British than the British", except that they pay no UK tax and act as tax havens for funds from Britain. Gibraltar has made a particular specialism of internet gambling. Colonies claim allegiance to the crown, but not to its exchequer, or its financial police. They are Churchillian theme parks of red pillar boxes, fish and chips and warm beer. But they want the smooth without the rough. When the neighbours cut up nasty, they demand that those whose taxes protect them should send soldiers, diplomats and lawyers to their aid.

I entirely agree with him, as I also do with this comment he made:

Any study of Britain's currently contentious colonies, [such as] Gibraltar, can reach only two conclusions. One is that Britain's claim to them in international law is wholly sound, the other is that it is nowadays wholly daft.

Twenty-first century nation states will no longer tolerate even the mild humiliation of hosting the detritus of 18th- and 19th-century empires. Most European empires were born of the realpolitik of power, [such as] the treaty of Utrecht (1713). The same realpolitik now ordains their dismantling.

Precisely. As the UK unfurls, with a great many people now thinking it likely that Scotland and maybe Nor there Ireland will leave, with timing being the only point in question, we suffer the absurd situation of a former leader of the Conservative Party [suggesting that we would go to war with Spain](#) over Brexit negotiations to defend the right of Gibraltarians to self determination.

But let's be clear, any such vote is rigged from the outset. Gibraltar is not willing to contribute to the UK: indeed, it devotes a great deal of effort to undermining it. And no Gibraltarian wants to pay UK taxes. But at the same time they demand we defend them. So what they are actually demanding is the right to free-ride off the back of the UK taxpayer at cost to Europe at large by running a hub for anti-social (at best) commercial activity. Of course they'll vote yes for that forever. That's like holding a referendum to ask if everyone in the UK wants a months free holiday in the Caribbean each year and being surprised that 98% of people said yes.

So let's face facts. First, Gibraltar has no remaining defence role of any consequence to the UK. We don't even keep a plane there.

Second, Gibraltar is a dedicated tax haven.

Third, leaving the UK's support would make no difference to Gibraltar's port services or tourism: they're functions of geography. The people of the place will not need to suffer as a result of joining Spain.

Fourth, in austerity Britain let's be clear that the only referendum the people of Gibraltar should be offered is one that asks if they want to join the UK, pay all its taxes, comply with all its regulations including on gambling, tax and company and trust law, and in return be provided only those services that leave it with a balanced budget after allowing for the full cost of defending it against Spain, running its borders, maintaining its new hard borders and all related costs. If this could not be done within UK tax limits then additional taxes would be payable, and that must be explicit before the referendum is suggested. Run a referendum on that basis and see what happens. I think some minds with might be changed. But right now Gibraltar is living in a fantasy world without apparent responsibilities or financial constraints that all the rest of us would love but will never enjoy and Tory politicians are pandering to that absurdity. Those politicians should be ashamed of themselves. The rest of us should point out their stupidity.