

Brexit means hard Brexit: the UK is running out of options

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<http://anglodeutsch.eu/brexit-means-hard-brexit-the-uk-is-running-out-of-options/>

The 8th of June 2017 is a landmark that I shall always remember. Against all expectations, the British General Election delivered a hung Parliament as well as a bloody nose for the incumbent Conservative government. Their expectation of a 100+ majority in Parliament is in ruins and, with this unexpected development, the tide of history may have turned but it is far from clear. Perversely, it could well be that Brexit means Brexit has been superseded by Brexit means hard Brexit.

Since the EU Referendum on 23 June 2016, the Conservative government under the leadership of Prime Minister Theresa May has been marching remorselessly towards “hard” Brexit. This means not just leaving the European Union (EU), as required by the referendum outcome, but also exiting the [European Single Market](#), the [European Customs Union](#) and the [European Court of Justice](#) to boot. By contrast, keeping all three yet still exiting the EU would be “soft” Brexit and would carry the least amount of risk for the UK and the EU-27 countries.

Although the option of hard Brexit was never part of the referendum (it was a straight “in” or “out” choice), this is exactly what a Conservative Government stuffed to the gills with Brexiteers such as Boris Johnson, David Davies, Liam Fox, etc. has been working towards. Mrs Theresa May, a former (albeit reluctant) Remainer, quickly became the conductor-in-chief of this process. A hard Brexit would have been difficult to achieve with a small majority in Parliament, so Mrs May decided to ask the country for a mandate for hard Brexit (having previously strenuously denied the need for another General Election), the terms of which was hardwired into the [Conservative manifesto](#).

The expectation among the political establishment and media pundits alike, was that the Conservative Party would increase its working majority from 13 to possible as many as 100-200, some predicting the evisceration of Jeremy Corbyn’s Labour, the second largest party in the country. With a predicted crushing majority and thus a crystal-clear mandate from the electorate, hard Brexit would have been as good as guaranteed. Theresa May’s political calculation was that the House of Commons would no longer be an obstacle to the process and that the House of Lords would not dare to stand in the way of the will of the electorate. Traditionally, the [Salisbury Doctrine/Convention](#) dictates that the House of Lords does not oppose the second or third reading of any government legislation promised in an election manifesto. The previous General Election in 2015 had enshrined a commitment to hold an EU Referendum but given no guidance on the type of Brexit to follow, no doubt assuming that this just would not happen. Obviously, the Conservative government was not sufficiently convinced that it was capable of ramming the necessary Brexit legislation through Parliament, so it felt the need to go back to the country for a hard Brexit mandate.

But it turns out that the British electorate had other ideas and decided not to give any party any meaningful mandate at all. Instead of rubber-stamping a one-way ticket to hard Brexit, it delivered an enigma. A hung Parliament means that instead of a majority of 12, the Tories have no majority at all (317 seats, 13 fewer than before), even with its unexpected gains in Scotland, where the number of

Conservative MPs increased from 1 to 13. Interestingly, since the Scots are extremely pro-Remain, these new Scottish Tories are unlikely to toe the party line and support hard Brexit. Indeed, it is conceivable that their leader, Ruth Davidson, could [seek to defy the Conservative's plans for a hard Brexit and even create a separate party](#).

If that was not bad enough, the only way the Tories can cobble together a slim majority in Parliament is via some sort of coalition with the [Democratic Unionist Party](#) (DUP) from Northern Ireland. The Eurosceptic DUP is willing to enter into a [confidence and supply](#) arrangement and Theresa May announced on 09 June 2017 her opportunistic intention to form a new government with support from the DUP, the potential King Makers.

There are only two flies in Theresa May's DUP soup:

- This goes against the grain of most Tories, since the DUP are considered to be a sectarian, nationalistic, militantly Protestant party which is known to be anti-same sex marriage, anti-abortion, in favour of creationist teaching at schools, etc. In other words, "taking back control" from Brussels apparently means passing it straight off to a bunch of swivel eyed-loons (as term applied by David Cameron, the former Conservative Prime Minister to Conservative activists) from Belfast. Moreover, the DUP will insist upon a soft border in Ireland, which effectively means that the Conservative mantra of hard Brexit/"no deal is better than a bad deal" is impossible to maintain with the DUP on-board. In any case, it is still far from clear that any sort of agreement can be reached between the two parties;
- Everyone, except for the Mrs May and her new government, which is actually pretty much the old government except for the addition to the charming, dependable and loyal Mr Michael Gove, is warning that it is not credible for the Conservatives to enter into either a formal coalition or a confidence and supply arrangement without endangering the [Good Friday Agreement](#). Under the terms of the latter, the UK government must demonstrate "rigorous impartiality" but, as has been pointed out by [several people](#), including IRA representatives and various former Conservative Prime Ministers, it is far from clear how this could work if the Conservative government were to invited the DUP to prop it-up in gaining a working majority in Parliament. You can bet your bottom Euro, sorry Pound Sterling, that DUP support will come at the price of a pound of flesh (politically and financially) to the Conservative party. Undeterred, Mrs May(hem) ploughs on in her cynical determination to create the most shamefully incoherent British government that I can recall. It is far from clear that she will succeed, in which case she will (surely) have no choice but to resign post-haste.

Clearly, the general election result threw a huge spanner into the Brexit works.

With one fell swoop, all the certainties of the past year have been overturned, starting with whether there will be a working majority in Parliament, let alone a workable one with the new Scottish Tories and the DUP in a rudderless boat. Moreover, the certainty that the country was heading straight for hard Brexit has been blown out of the water. By far the most likely course correction to be set, assuming the Tories manage to cobble together a working government, is for the DUP and the new Scottish Tories (together with the majority of the rest of the Conservative MPs, Labour and the Lords) to push for a soft Brexit. Rather than the General Election eviscerating the Labour Party as a political force, it is a reinvigorated party, despite defeat. Instead the most likely bet is that adjusting the course from hard to soft Brexit will

be the catalyst for a schism in the Conservative party.

Hallelujah; a deliberately engineered and catastrophic hard Brexit is off the cards.

But do not rejoice too soon.

None of this necessarily means that hard Brexit will not occur. The chances of a deliberately engineered hard Brexit may have gone but it still remains the most likely witting or unwitting outcome, rather than soft Brexit. The reason that hard Brexit will probably occur, regardless of a hung parliament and the new political dynamic, is not hard to divine.

The 2-year deadline post invocation of Article 50 is ticking away and the UK has just fritted away 3 months of it holding a totally unnecessary General Election that has delivered an outcome that has totally muddied the Brexit waters.

Even the 2-year period is not what it seems; all commentators agree that, in reality, only 14-18 months are available for “negotiations”, followed by at least 6-8 months of ratifications by 28 governments, as well as others, such as EU Parliament and regional governments.

Moreover, whereas the EU-27 have been ready for negotiations for months, the UK is not even close to being prepared for hard, soft or any other type of Brexit. So far, there has been little but empty bluster of the “Brexit means Brexit”, “Red, Blue and White Brexit” and “No deal is better than a bad deal” variety emanating from the British government. Even a General Election ostensibly about the biggest challenge facing the country since the Second World War, namely Brexit, brought precious little debate let alone any more clarity about the government’s intentions.

The EU’s [Guidelines for Brexit Negotiations](#) have been submitted to the UK, the UK has not yet reciprocated, though the “talks about talks” started on 19 June 2017. The only thing that exists is the UK’s [official letter triggering Article 50](#), which is vague and is effectively superseded by the new reality since the General Election. Following the one-day talks about talks, the Brexit Minister, Mr David Davies, promptly [caved in to the EU’s demands](#), for example to settle the broad terms of the “separation” (i.e. citizens’ rights, financial settlement and the Irish border) before trying to negotiate a future trade deal. The key plank of the UK’s negotiations has been removed before the real negotiations even start.

This reinforces the point that while the 27-EU countries have agreed a unified negotiating position in a relatively short period of time, the UK government has not been able to agree a negotiating position of any description one year since the EU referendum. This speaks volumes about the parlous state that Britain finds itself in as the negotiations start. There is not a single good omen that bodes well for the UK. The best Brexit cards are firmly in the EU’s hands, starting with the fact that time is on their hands. All the waffle, bluster and wishful thinking will be remorselessly blown away by the more experienced EU team.

This parlous state of affairs is not in the least bit surprising. Although the Brexit game has been in play for a year, the only strategy there ever was, namely hard Brexit, has been scotched by the electorate. A coalition / supply and confidence arrangement has not yet been negotiated and may fail to materialise.

The Conservative party is in total disarray and is increasingly split. The Chancellor of the Exchequer, Mr Philip Hammond has recently stated the failure of talks would be “[very, very bad](#)” for Britain in direct contravention of what the Conservative party has been claiming (“no deal is better than a bad deal”) for the last year. Whichever way the Brexit cookie crumbles, the mother of all internal wars will break-out within the Conservative ranks if they start back-peddalling towards soft Brexit.

To add fuel to the fire, the [Grenfell Tower](#) fire fall-out is occupying much of Theresa May’s attention and could lead to her downfall. If she came across as being wooden and robotic (the Maybot) during the General Election, she now comes across as callous and heartless on top. If Grenfell Tower does not do it, her own party will topple her sooner rather than later: May is not just damaged goods, she is toxic political goods. The steady stream of concessions since the General Elections will not save her. A downfall is only a matter of time for a leader who is patently neither a strong nor a stable leader. Everyone can see that the reality is in direct contravention of the facile PR.

What a mess for a country (previously) admired for its pragmatism to find itself in.

The real danger is not that the imminent implosion of the Conservative party. It is that the EU has been deprived of a meaningful negotiating counterpart, let alone one that can deliver whatever is negotiated and agreed. This is as far removed from a “strong and stable” leadership as it is possible to imagine and poses major risks for the UK as well as the EU-27.

One option is for the British government to withdraw Article 50, but this will not happen. Both leading parties are committed to some form of Brexit in response to the EU referendum. There is no way to close Pandora’s Box without holding another referendum and that is an option that neither major party is willing to countenance at the moment. Voter fatigue is palpable in the UK and a general election is in the air. At this rate, the UK is in danger of rivalling Italy and Greece for the title of re-elections champion. But even if this option were somehow to occur, it would still be to Britain’s disadvantage. Senior EU members are on record that nothing will ever be the same again for Britain, not least its generous EU rebate and the opt-outs that it now enjoys. There may be a way to row back from Brexit, an option left open by Germany and France, but it would come at a heavy political price in the UK, apart from the sheer humiliation of such a U-turn.

Another option is for the UK government to accept the [Norway option \(European Economic Area\)](#), which means leaving the EU yet being part of the common market, making a financial contribution to the EU and accepting freedom of movement of people. At the moment, it is hard to see how either the Conservatives or Labour could square this with the sentiment of the UK electorate, where the continuing desire to stop EU immigration remains a red line. It is interesting that here, too, Mr Hammond is querying Mrs May’s target of reducing new migration to the tens rather than hundreds of thousands by wondering whether post-Brexit immigration controls would apply to EU workers who are [highly skilled and highly paid](#).

If it proves impossible to opt for a ready-made solution (e.g. withdraw from Brexit or Norway Option) and a fragmented government cannot negotiate an alternative within the 2-year timeline for Brexit, the UK will automatically crash out of everything connected with the EU. Unless the EU-27 unanimously agree to an extension of the 2-year separation period (assuming the UK requests it), the economy and much else will fall off the cliff and experience the most brutal possible form of hard Brexit.

No one seriously wants to witness the latter scenario, other than hard-core Eurosceptics. But at the moment, it appears not only that Brexit means Brexit, but that, actually, Brexit means hard Brexit.

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