

# The Morning after the Night Before

***By Professor Alex de Ruyter, Director, Centre for Brexit Studies***

As I write this on a train journey to London in the wake of Boris Johnson's "Get Brexit Done" election victory, there is still a sense of shock in the Conservative majority achieved. Those of a "remain" disposition can now look forward to the "fright night" spectacle of a Withdrawal Agreement being approved in the Commons that will result in the UK's departure from the EU by January 31<sup>st</sup>.

More on the ramifications of this later, but first let's consider the scale of the result. The Tories have picked up a net gain of 47 constituencies, with losses in Scotland and London more than compensated by gains in the Midlands and North of England (in strongly leave-voting areas). Here in the West Midlands, one-time safe Labour seats such as West Bromwich East and Birmingham Northfield fell to the Tories in a night of carnage.

Johnson is now secure in No. 10, whilst Jeremy Corbyn has confirmed that he will not contest another election as Labour leader. It is not even immediately clear who would replace him – the party is likely to end up opting for a younger leader. For my money, it would have to be someone from a leave-voting area who comes across as an everyday person – Jess Phillips anyone? But those musings are for the future.

For the LibDems it was an equally disappointing night, losing half their seats at Westminster and the SNP ousting party leader Jo Swinson in her constituency of East Dunbartonshire. Indeed, in their rush to contest an election, the LibDems in the wash-up can only be seen as the "handmaidens" of Brexit. Remainers can only rue the divisions between the Centre-Left parties that contributed to last night's result.

For the DUP in Northern Ireland, the results were particularly devastating, with Westminster party leader Nigel Dodds being ousted in his Belfast seat by Sinn Fein, leading to a situation whereby nationalist parties now for the first time have a majority of MPs in Northern Ireland. We even saw the spectacle on telly of former Tory

Chancellor, George Osborne, musing over the prospect of some eventual all-Ireland federation.

With the Conservatives having morphed into the Brexit Party in all but name, it didn't surprise me either that Nigel Farage's latest wheeze failed to win any constituencies last night. Nothing more need be said here, although it will be interesting to see what Farage's latest bandwagon, the "Reform Party" will achieve.

And finally, all the Change UK and Independent (ex-Tories such as Dominic Grieve and David Gauke) lost their seats. The big picture though in terms of vote share was not so much a gain in the Tory share as a collapse in the Labour one. Where to with the ramifications of Johnson now being free to push his agreement through Parliament?

To return to the above, I think we can be certain now that the UK will have left the EU come February 1<sup>st</sup> next year, though Johnson may try to push this to be done by Christmas, the Parliamentary timetable would be extremely tight and there is the small matter of a Queens Speech to navigate through the Commons also.

But this is a minor point. The key question is has "Boris" got Brexit "done"? NO. As many of us have pointed out, all he will have secured is a Withdrawal Agreement. We now reset the Brexit clock as the UK and EU embark on the torturous process of negotiating a new trade agreement (assuming the UK Government genuinely want one).

Johnson has stated repeatedly (and all of his returned MPs have signed up to this in the Party Manifesto) that he can secure a trade deal by the end of next year, but the EU have stated that negotiations will take at least three years.

If (as I expect) the going gets tough, then the UK Gov will have to decide by the end of June next year, whether to ask to extend the Transition period of status-quo ante trading terms applying. Johnson has said that he will not ask for any extension. If he holds to his word in this regard, then the UK faces a "no deal" type cliff-edge all over again. Far from getting Brexit "done", the agony will just be prolonged – or we end up leaving on WTO terms –economically the worst-possible outcome.

Again the cruel irony here is that heavily-leave voting areas that endorsed Johnson last night, such as Sandwell in the West Midlands (where West Bromwich East and West Bromwich West fell to the Tories) will suffer the most with a no-deal type exit. Our own research on the automotive supply chain suggests that thousands of jobs in the West Midlands will be at risk with a Hard Brexit of this sort.

I would suggest then that we can take little comfort in the Pound Sterling rallying on the FX markets in the wake of Johnson's victory. I would write this off as markets spooked by "uncertainty" now expecting a clear thrust of Government policy. But for UK-based manufacturers anxious over Johnson's intentions over a future agreement with the EU, the uncertainty has now been prolonged.

On another issue, that of Johnson's "assurances" on the NHS, or state aid to industry to mitigate the impacts of a disruptive Brexit, we can take little comfort in these as the exigencies of pursuing a trade agreement with the United States will demand that these promises are ditched.

It is in this context that we need to be mindful that the UK Government will find it very difficult to reach any future economic agreement with the EU come the end of 2020 given the "regulatory divergence" that they manifestly wish to pursue. Indeed, for lead Brexiters, the only point of Brexit was to be a Trojan horse for more deregulation – sold to a voting public on the misleading pretext of "take back control".

Indeed, should such an agreement with the US come to pass, we can also look forward to a dilution of environmental, consumer protection and worker rights standards – and lead Brexit protagonists such as Dominic Raab and Liz Truss have argued for as such previously.

Finally, to return to the outcome in Scotland and Northern Ireland, last night's result now puts the future of the UK itself in doubt. The SNP are claiming a mandate for an independence referendum on the back of their strong showing last night.

Should they follow this up with a victory in the next round of Holyrood elections due in 2021, then it will be next to impossible for Westminster to refuse assent to such a referendum being held. And if

the UK fails to secure a trade deal with the EU then this – I think –will tip the scales in favour of Scottish independence.

The Northern Ireland result, as George Osborne alluded to, will only further propel the centrifugal forces driving the consolidation of an all-Irish state. Indeed, Johnson's agreement, with its creation of a *de facto* customs border down the Irish Sea, will only further sever the link between Northern Ireland and the rest of the UK. In this context, we might well expect a poll on Irish re-unification to be a distinct possibility in coming years.

It only leaves me thinking that to all purposes, last night was the night that the UK died. We now wait for the burial rites to be administered...