

Time to stop the digging!

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As anyone who has read a half-decent strategy book will attest, its principles assume having plans of action to deal with anticipated events. However, given the origins of strategic theory – military thinking by leaders/generals during battles and wars – there has long been a recognition that things may not turn out as expected. As such, there should be contingencies to allow for an orderly retreat should circumstances require.

At just after 11.00pm on Monday, the ‘Cooper-Letwin bill’, requiring Theresa May’s government to request an article 50 extension, received Royal Assent. It means that, domestically at least, the danger of the UK ‘crashing out’ of the EU by design or default without a deal is removed. However, this risk has not completely disappeared.

If the meeting taking place between Theresa May and other EU leaders in Brussels on Wednesday results in rejection of her request for an extension to the Article 50 process to the end of June, it could easily occur. This is especially possible if her negotiations with Labour don’t produce agreement.

That prospective Conservative candidates have been informed they should be ready to contest the European elections taking place on 23rd May comes as little surprise. This is simply sensible contingency planning. Theresa May must surely be aware that the current impasse in Parliament, leading to her inability to gain agreement for any deal, has tested the patience of other EU leaders.

If Theresa May cannot offer a realistic solution on Wednesday, it’s highly likely that even though EU leaders don’t want to be blamed for the UK leaving the EU on Friday without a deal, they will not feel inclined to agree to her request for a short extension to the process of withdrawal until 30th June.

Instead, it's believed, EU Chief negotiator, Michel Barnier, has not convinced the 27 other members Theresa May will present a realistic plan to break the current Brexit impasse. As a result, it is speculated, the other 27 EU leaders will insist on a longer period of delay than to the end of June as is being requested; possibly to 31st December. A condition for such a delay will be UK's participation in May's EU elections.

As voting in Parliament on Monday on the 'Cooper-Letwin bill' clearly demonstrated, the majority of MPs recognise the phenomenal risks of the UK leaving with 'no-deal'. Worryingly, though, despite the evidence of what a 'no-deal' departure of the UK from the EU would mean for the economy in general, and some areas in particular, including Northern Ireland, a significant number of MPs were happy to vote in such a way as facilitate this outcome.

Hardcore Brexiteers belonging to the European Research Group (ERG) voting for a 'no-deal' is no surprise. These MPs have always made clear their desire to leave the EU with as few links as possible in order to pursue trade opportunities elsewhere. Equally, they contend, a 'no-deal' departure is the only way to faithfully carry out the wishes of the 2016 referendum.

Somewhat disturbingly, evidence from recent selective polling suggests that many people would be perfectly happy with such an outcome. What Brexit has achieved is to ensure that membership of the EU has become utterly toxic to the major political parties. Theresa May undoubtedly feels that as far as the ERG are concerned, as well as the Democratic Unionist Party on whom the Conservatives have relied on through a 'supply and confidence' arrangement since the catastrophic result for her of the misjudged 2017 election, she has absolutely nothing to lose by reaching out to the Labour Party to attempt to resolve the current impasse.

Hence, we are in the current situation of what seems like never-ending uncertainty that is not good for business and is surely taking a toll on this country's international reputation. Whatever happens in terms of Brexit, investment decisions that might otherwise have been made are possibly never going to happen with a consequential impact on jobs and prosperity.

A key argument propounded by advocates of leave during the 2016 referendum was that leaving the EU would result in greater control of laws as well as an increased ability to engage in trade deals with other countries. Leaving the EU would increase the economic prospects of the UK through a combination reduced immigration from EU citizens and removal of tariffs that all EU member states are forced to comply with.

Taking issue with whether those who voted to leave almost three years ago fully appreciated what this would mean is regarded by some as being contemptuous. However, when people voted to leave, they did so without full possession of facts that have emerged since. It is certain that those arguing for leave did not claimed that doing so would make the UK poorer.

One reason we've reached the current deadlock that Parliament is being blamed for is that in during the campaign leavers did not make it entirely clear what leaving would actually mean. Indeed, as the campaign progressed, it became vacuous and content-free.

Those suggesting that there would be negative consequences from the UK's departure were condemned as engaging in so called 'project fear' based on mistake or, as some with more extreme views suggested, propagating deliberate falsehood. That warnings about the risks of the UK's departure came from the Governor of the Bank of England, Mark Carney, suggested how sensitive the leave campaign was to scrutiny.

What we witnessed during the EU referendum in June 2016 was based on the Trumpian approach to campaigning that he'd been employing in his, eventually successful, quest to become President of the US later that year. This was based on a, don't confuse people with statistics approach and, instead, trade upon emotions associated with sovereignty through the soundbite 'taking back control'. For good measure fear of increasing immigration by EU citizens, who would continue to 'steal' jobs that rightfully belong to British workers, was added in.

Significantly, before the 2016 referendum the then leader of UKIP, Nigel Farage, whose party had created the momentum that led to David Cameron's decision to include the promise to hold a

referendum on the UK's continued membership of the EU, was happy for the UK to express his support for maintenance of close economic ties with the EU. This, he explained would replicate Norway or Switzerland's position. Farage, like other leave campaigners, has now moved to the 'no-deal' position.

Accordingly, therefore, the 2016 EU referendum took place within an environment in which expert opinion was eschewed. Leaving without any arrangements in place requiring compliance with World Trade Organisation (WTO) rules barely got a mention. For that matter, it's hard to recall any political leaders talking about what the customs union that is, currently, subject of debate between the Labour and Conservative parties.

One of the reasons why many across the political spectrum are reluctant to agree to a second (in reality third if 1975 is included) referendum, is to avoid the invective and bile that was experienced three years ago. The fear among Brexiteers is that another referendum, in which voters are much better informed than three years ago, may not give the same result as last time.

The 'here and now' is that uncertainty will continue for the next few days at least and, in all likelihood, months. This will ensure that economic prosperity will be undermined. We will continue to see major investments shelved either temporarily or permanently. Worse, it's likely that major companies may pull out of the UK, especially if there is 'no-deal' with the equally disastrous knock-on effect through the supply chain.

One wonders whether those who voted to leave the EU in June 2016, some of whom live in areas most blighted by disadvantage because of decline in manufacturing and other 'traditional' industries, contemplated such consequences for their prospects and those of their descendants?

Theresa May appears boxed in by events and her options are limited. That said, she appears increasingly willing to 'face down' those within her own party whose opposition to her negotiated deal seems likely to scupper the Brexit she's staked her political reputation on delivering. Hardcore Brexiteers from the ERG probably consider Theresa May to

be 'dead woman walking' but, despite their best efforts, she isn't dead yet and can inflict revenge.

Prior to extension of Article 50 beyond 29th March ERG members proclaimed all sorts of calumny and threats against Theresa May. The decision to contest the EU elections has drawn equal condemnation. Perhaps she realises, given the high stakes and toll being exacted by Brexit on the UK's economic prospects as well as in terms of Parliament's paralysis, the time could be right for doing something radical.

It is hugely momentous that *Daily Mail* columnist Peter Osborne, an influential supporter of the UK leaving the EU has changed his mind and believes that because of the way events are developing, Brexit is likely to be "a disaster" In an article published on 7th April on the *openDemocracy* website, "I was a strong Brexiteer. Now we must swallow our pride and think again", Osborne, suggests that there is "no chance" of leaving the EU in a way that is sensible and will be logical for the UK's economic well-being and future prosperity.

Selected quotes from this article demonstrate that Osborne, formerly political editor of *The Spectator*, when Boris Johnson was editor, as well as former chief political commentator at *The Daily Telegraph* before becoming a columnist for *The Daily Mail*, has carefully reflected on the current crisis that has resulted from the desire to adhere to the decision of voters in the 2016 referendum:

- "There's zero chance of a sensible Brexit amidst the pandemonium and hysteria at Westminster just now"
- "The economic arguments for Brexit have been destroyed by a series of shattering blows"
- "Britain's departure from the EU will be as great a disaster for our country as the over-mighty unions were in the 1960s and 1970s"
- "When hedge-fund managers and the Communist Party see eye-to-eye on any question, it's time to be concerned"
- "The UK will be weaker and more isolated"
- "Like almost everybody else I underestimated the importance of the Good Friday Agreement"

Osborne concludes his article by asserting that suspension of Brexit is “greatly preferable” to continuing with the current strategy of seeing to leave under any arrangement that can be agreed with Parliament. Indeed, as he ends the article, “How many important decisions in our own lives, too, have had to be taken on such a chilly and unexciting consideration? It’s time for a long pause.”

Whether Osborne’s comments make the slightest difference is debatable. That stated, a long delay would allow more considered thinking into the wisdom of following through with a decision taken three years ago on the basis of spurious evidence and some misleading arguments.

Like any military leader, Theresa May should seriously consider a tactical retreat. It won’t please many but, it must be asked, in whose interests are they acting? And, after all, as the expression goes, ‘when in a hole, stop digging!’