

# So, where do we go from here?

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On returning from an economic conference in Guadeloupe in the West Indies in 1979 and looking tanned, Prime Minister Jim Callaghan was questioned by journalists about the mounting chaos caused by trade union action that had become known as the winter of discontent. Though what Callaghan actually said was “I don’t think other people in the world would share the view [that] there is mounting chaos,” he is popularly believed to have stated, “Crisis, what crisis?”

The confusion arises from the fact “Crisis, what crisis?” was the headline in *The Sun* in exasperation at what the paper saw as Callaghan’s lack of willingness to deal with unions taking action. Though not solely responsible for the subsequent Conservative victory led by Margaret Thatcher in May, this headline is believed to neatly sum up the sense that the Labour government under Callaghan was no longer in control.

In the aftermath of yesterday’s colossal and historical defeat of Theresa May’s Brexit deal for withdrawal from the EU, it’s possible to see resonance with the situation Jim Callaghan found himself in. May is seen as a Prime Minister whose luck and, more significantly, judgement has run out. Since she was made leader by ‘coronation’ in the aftermath of David Cameron’s resignation following the result of the EU referendum in June 2016, her main task has been the negotiation of a withdrawal deal.

That the process of negotiating a withdrawal from the EU has not gone well was abundantly obvious yesterday evening. As commentators stress, her situation was not enhanced by being in a minority government requiring support by the Democratic Unionist Party, the only major party not to sign up to the ‘Good Friday Agreement’, and who were never going to agree to anything perceived as undermining the union. And as commentators assert, the reason for being in minority is the fact that May – guided by her closest advisors – called an election in 2017 in the belief she would

increase the marginal majority Cameron had achieved in 2015 precisely to make yesterday's vote easier to win.

Normally, any Prime Minister suffering a defeat of 230 votes, eclipsing even the defeat of 166 votes suffered by Ramsay Macdonald's minority Labour government in 1924, would be expected to resign and let someone else take over. These are not normal times and though there is an impending sense of crisis surrounding the Brexit process May shows no sign of quitting.

Nonetheless, many are asking how it will be possible to achieve parliamentary agreement to any withdrawal deal or, rather, will the UK crash of the EU at 11pm on 29<sup>th</sup> March? Time is not on May's side as there are just over ten weeks to go; 46 parliamentary 'sitting days'.

Brexit has dredged a host of intractable issues that are utterly toxic and, it seems, almost impossible to resolve to the satisfaction of everyone; Northern Ireland's relationship with the Republic of Ireland (the only land border that would exist between the UK and EU), the need for an effective arrangement for trade as well as the status of EU members and freedom of movement to name just three.

Farcical as it has become, Brexit represents the greatest crisis facing this country for a generation; some argue the second-world war. It has created deep-seated divisions that will be difficult to resolve and should we leave without a deal and need to revert to World Trade Organisation rules, according to the IFS, could cause the UK to suffer an economic shock skin to the three day week of the early 1970s caused by the miners' strike that crippled the country.

Following yesterday's vote in parliament such a prospect becomes distinctly possible. Unsurprising business leaders express increasing levels of impending anxiety. A 'no deal' Brexit, they contend, is a worst-case scenario creating chaos that would result in further uncertainty that in turn would mean reduced investment essential for growth and innovation as well as the job losses that would ensue. As all but the deluded believe, a no deal Brexit is so dreadful that its avoidance is essential.

Assuming that the majority of MPs are sincere in avoiding a no deal at all costs, this objective will require some pretty adventurous thinking

as well as some deft negotiation with all parties concerned. Whether May can achieve this is, on the basis of evidence thus far, highly questionable. The deadline of leaving by 29<sup>th</sup> March makes the process tight to say the least.

Many believe that extension of Article 50 is vital though, of course, this will lengthen the sense of uncertainty and growing crisis. Moreover, the EU has stated categorically that there is little or no interest in reopening negotiations on the withdrawal. After all, it took far longer than ten weeks to achieve the deal that was so utterly defeated last night.

Calling a second referendum offers a way of taking Brexit back to the people so they can, once again, decide what is in the UK's best long-term interest. As advocates of a new referendum claim, we know more now than we did in June 2016. The problem with a second referendum is that it would take months to organise and raises the prospect of what happens if the outcome is yet again marginal; particularly if the outcome is that we should leave.

The bile that has ensued since the decision to hold the referendum suggests that going back to the people is risky. The mistruths and reinterpretation of arguments that was witnessed in the June 2016 referendum showed that uncontested facts are hard to establish. People, it seemed, were easily persuaded by opinion and sound-bites, particularly through social media.

This was not always the case, in Fintan O'Toole's brilliantly polemic book *Heroic Failure: Brexit and the Politics of Pain*, he includes the fascinating fact that in 1971 in the run-up to joining the common market, the government published a White Paper on what this would mean. Astoundingly, "It sold over a million copies, making it the best-selling official document in British history" selling over 100,000 copies a week in July and caused queues outside bookshops.

Increasingly many believe a Norway-style Brexit could be an alternative as it involves leaving the Common Agricultural Policy and Common Fisheries Policy, as well as the jurisdiction of the European Court of Justice. Additionally, within this approach is the ability of a country using it to apply an "emergency brake" on free movement you can pull in extreme circumstances.

Whatever way you look at it, Brexit has become such a mess that perhaps the best option is to go with the one approach that undoubtedly unites more people than any other; simply abandon it and get back to normality and deal with pressing domestic issues that have become worse whilst the focus on Brexit has increased. Whether this, or indeed any other outcome occurs is extremely hard to call.

What does seem absolutely true is that we appear to have been cursed by the mythical expression "May you live in interesting times" Unfortunately for those seeking certainty and stability, the foreseeable future is only likely to become even more interesting.