

It could get much worse once Brexit is done!

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The current general election may be about Brexit. However, it is probably one of the most important since the second world war. It will undoubtedly have a profound influence on the way in which British society develops over not just the period until the next national vote, whenever that may be (depending on whether there is a majority for any party), but future generations.

In any 'normal' general election, we'd be assumed to be voting on the basis of the range of promises made in the manifestos of political parties standing. Though each of the parties have floated a number of commitments, the one big question that still dominates debate is what approach they will take to the way in which the United Kingdom (UK) will, or will not, leave the European Union (EU).

Assuming the opinion polls are correct, always dangerous, we cannot expect Jo Swinson's LibDem Party to win enough seats to form a government. Accordingly, the notion that after 12th December the revocation of Article 50 which, following a majority vote by Parliament in March 2017, triggered the process for the UK's departure from the EU, should be seen as utterly bizarre. Though surprises do happen, this would be off the scale of what is credible.

Opinion polls suggest that Labour will probably not win a majority. Though, of course, the polls were wrong in the last election in 2017, Labour winning sufficient seats to form a majority government seems a stretch for the imagination. Some suggest that, similar to 2017, no party wins and from Friday 13th there is intense 'horse-trading' as to some form of coalition.

No clear outcome is regarded by, it must be assumed, a good slice of the population as being a dreadful outcome in that it would mean uncertainty continues. As, respectively, Conservative and Labour

leaders Boris Johnson and Jeremy Corbyn have stated in the election campaign, it is important to get Brexit “done” or “sorted”.

Should Labour be in a position to influence events through some form of coalition, their position is that renegotiation of a deal with the EU would take place followed by a referendum. As such no clarity would emerge immediately after the election on 12th December.

If we believe Boris Johnson’s claims about getting Brexit done, and provided he indeed achieves what the opinion polls are predicting, that the Tories will win with a clear majority, we can expect him to ensure that the deal he negotiated only a couple of weeks ago with the EU to become law early in January. The UK will depart from the EU by 31st January 2020. Johnson additionally claims that he’ll negotiate a free trade agreement with the EU by the end of the year when the transition period ends.

Achieving a trade agreement with the EU in less than 12 months will be, many contend, an amazing feat as negotiations usually take years. Failure to do so, it is cynically suggested, is part of the ‘cunning Cummings’ plan as it would mean that the UK would, by default, drop out of the EU with no-deal. This is what has been sold to the members of the European Research Group who, when Theresa May was attempting to gain parliamentary agreement for her deal found them to be extremely truculent.

Leaving the EU according to ardent Brexiteers will unleash pent up demand and investment that has been stymied for the last year or so due to indecision by Parliament. Moreover, as was argued by leavers in the campaign prior to the June 2016 referendum, membership of the EU was holding back UK enterprise because of a combination of excessive bureaucracy and the inability to strike individual deals with countries.

For ‘dyed-in-the-wool’ Brexiteers, trading under World Trade Organisation (WTO) rules poses no problem. Quite the opposite and, as they argue in the strongest possible terms, would provide opportunity for lucrative deals that would, as Johnson has metaphorically stated, turbocharge the UK economy from the stupor it has fallen into because of EU membership.

If Johnson does indeed gain the seats required to form a majority government in December's GE, one of the reasons will have been the belief by those voting for Conservative that this will ensure that Brexit is 'done'. The majority of political commentators take issue with what has become a Johnson canard that Brexit would have been done already had it not been for the unwillingness of a 'remain Parliament'.

As commentators also contend, the notion that the will of the people will be carried out by the Conservatives achieving victory on 12th December and uncertainly will be ended – a narrative he extolled to the Confederation of British Industry conference on Monday – is palpable nonsense.

In an article 'Johnson's Brexit would devastate business – the CBI must be hoping that he's lying', in *The Guardian*, Simon Jenkins, takes issues with what he sees as "Johnsonian lies" and "pure fantasies":

"The biggest whopper is that a vote for him would "end uncertainty over Brexit". It will not, it will prolong it. As long as Johnson pledges to withdraw Britain from Europe's customs union and single market, the current commercial uncertainty will continue. Serious trade talks do not begin until next year, when according to Johnson either the UK will default to WTO tariffs or a new deal must be sought with the EU. The latter will be on EU terms, of long duration and infinite complexity. Uncertainty will be total."

Taking issue with those who voted to leave back in June 2016 risks being seen to be contemptuous of their actions. A key question posed by those who've demanded another referendum is that they were seduced by the arguments that leaving the EU would be easy and that significant benefits would follow; including the £350 million of extra funding that would be given to the National Health Service from money saved by not paying into the EU as a member.

Three years on it has to be said that voters appear either oblivious or sanguine as to the consequences of Parliament agreeing Johnson's deal. The National Institute of Economic and Social Research's review published a couple of weeks ago suggested that they estimate that leaving the customs union and single market will result in the UK

economy being 3.5% smaller than compared remaining as an EU member.

Bad as this might be, it may be regarded as positive when compared to the government's own estimate which predicts a 4.9% loss of GDP. Significantly NIESR state that compared to the current situation, which, to be fair, has been undermined by uncertainty following the referendum result, trade in is likely to be "lower by 40%" and that trade in services will be "lower by 60%". What this means, of course, is that there is economic activity is lessened because the markets that firms sell to will decline.

Reductions in trade have serious consequences that we all suffer. Brexiters claim that new markets will magically open up to a UK liberated from the shackles of EU membership. Those of us who believe that Brexit was always going to be negative remain sceptical that such markets will become available. Simon Jenkins describes such an argument that Johnson has been fond of propounding as "garbage" and that he knows that "other than trivial ones" there will not be compensation for lost European trade.

This has extremely serious implications for the UK economy. Reduced activity by firms means declining profits and potential losses. Pay may reduce and, ultimately, jobs are lost, particularly if companies go out of business. The tax take declines which, naturally, affects the ability of the government to spend money on the things that are important such as health, education and the range of other public sector services that are essential to this country's immediate and future well-being.

We collectively become poorer.

Crucially, the NIESR has estimated that as a result of Johnson's deal, the revenue that would be collected by the government "would be lower by around 2.5% in the long run, or £26bn a year at 2016 prices". This, we are being told by him, represents a "great deal". It's hard to see why.

A question being asked by many is how, given the scale of commitment that has been made by the Conservatives to vastly increasing government spending should they win, it will be possible

with such potential declines in revenue? NIESR make clear their concerns when that state, “The shortfall [in revenue] relative to a closer economic relationship with the EU would have to be met by raising tax rates, increased public borrowing or reduced public spending, or a combination of all these options.”

What we’ve seen in this election thus far is a recognition that austerity is being consigned to history and, it appears, the Conservatives recognise the damage that savage cuts made have had to communities suffering disadvantage. Many of those in such communities, and who’d traditionally been assumed to be Labour voters, were seduced by the UK Independence Party and the Brexit Party both led by Nigel Farage.

Disillusioned Labour voters who were convinced that leaving the EU would be to their benefit are precisely those people Johnson now wishes to garner to gain sufficient MPs to ensure he can get his “great deal” through in order to fulfil the will of the people who voted to leave the EU in June 2016. As such, Johnson is happy to continually claim, he will have ensured that Brexit will finally be “done”.

As many, myself included, believe, should it not be possible to achieve the free trade agreement with the EU before the end of 2020, there is the very distinct probability that, from 1st January 2021, the UK will trade with its former partners under WTO rules. Research carried out by The UK in a Changing Europe suggest that the economic consequence of a WTO exit, after ten years, of a reduction in the UK’s income per capita of between 3.5% and 8.7%.

It is to be sincerely hoped that when people cast their votes in three weeks time that they do so cognisant of the ramifications of what getting Brexit done on the basis of Johnson’s deal will actually mean. Those who believe that there should be another referendum stridently argue that surely those who voted to leave in June 2016 did not wish to make themselves poorer and that better information on the consequences of leaving would allow them to make a more informed decision.

On 12th December there can be no excuse that people have not been warned what allowing Brexit to be “done” on the basis of Johnson’s deal by the end of January will potentially mean. They should be fully

aware of the economic implications as for the UK. They should be under no illusion that it may mean the break-up of the UK. Most especially, voters should be in no doubt that, contrary to the argument made by those who campaigned to leave the EU back in 2016, there is every likelihood that, following Boris Johnson's animated call to "get Brexit done" could make them much worse off than compared to remaining.

Dr. Steven McCabe is co-editor of [*Brexit and Northern Ireland, Bordering on Confusion*](#) (just published by Bite-Sized Books, ISBN-13: 978-1694447807)