

# No Deal Returns from the Dead

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The Brexit debate has swayed this way and that, but at present we are in a remarkable phase in which no deal has made a dramatic come-back.

For many months 'no deal' had been demonised as well beyond the pale. Political and academic commentators trooped through the TV and radio studios to say that no deal would be a catastrophe for the UK economy. Occasionally this warning was downgraded to a disaster but in every case interviewers failed to ask the most elementary follow-up questions; What kind of catastrophe? What is the evidence?

This is the key bias of the BBC and other broadcasters who appear to assume that catastrophe was so self-evident that it needed no interrogation.

All that changed with the EU referendum result, the resignation of Theresa May and a Tory leadership contest dominated by candidates who espouse no deal if only as a bottom line in negotiations.

Several potential Tory leaders have said that the UK will leave the EU at Halloween with or without a deal. No deal it seems is now acceptable. This is certainly the case for the majority of the 125,000 Tory party members who, under party rules, will have the final say in selecting one of the two candidates put forward by the 313 Conservative MPs. The MPs themselves are less predictable, but at the time of writing the main proponent, Boris Johnson, has a clear lead and is picking up moderate as well as ERG support.

Does any of this matter? We continue to be told that a new Tory leader will make no difference because the parliamentary arithmetic would be unchanged. Parliament had voted against 'no deal', it is said, and will continue to do so in future under any Tory leader.

Parliament has of course voted against almost everything, so it is not obvious what proponents of this rejectist view think will happen. Those like Rory Stewart who advise that Theresa May's Withdrawal Agreement can still succeed, if pushed by a new leader, have Walter Mitty quality.

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This is a Dunkirk moment for the Tory party. Just as the Tory party accepted their bete-noir Churchill in 1940 with the enemy at the gate, modern Tories need a leader like Boris Johnson who can see off Farage. It was Farage who secured the referendum in the first place and who played a key role in the referendum victory. Farage foresaw the Tory failure to leave the EU on March 29<sup>th</sup> and organised his revolt in good time. His Brexit Party campaign has been well organised and well timed.

Behind Farage of course are the loyal leavers who refused to be cowed by the 'project fear' onslaught and who refuse to support a Tory party which will not or cannot make good their promise to leave the EU.

The EU election tells us that support for Leave has held up well. The best estimate is the Ashcroft exit poll of 10,000 voters. This estimated that 50% supported Leave, 46% Remain and 4% did not know. This was despite a bias towards Remainers in the sample. Of the sample 50% said they had voted Remain in the 2016 referendum and 45% said they had voted Leave. This bias probably reflected the lower turnout last week in northern working-class constituencies.

It was also despite the fact that EU nationals were able to vote even if some were barred due a lack of the correct paperwork. On the night of the count, Professor John Curtice judged the result a draw, but the Ashcroft poll suggests an almost precise replication of the referendum result. Taking account of the bias and the EU nationals, support for leave may even have grown since the referendum.

Nor should we forget the role of comrade Corbyn. Surrounded by a small loyal coterie of officials and advisors who are strong leavers, his amazing powers of obfuscation have kept the Keir Starmers and Tom Watsons at bay.

The poor showing of Labour in northern and midland areas in both local and EU elections was enough to demonstrate that his evasive strategy of facing both ways was Labour's only hope of maintaining enough party unity to have a hope of general election victory.

Sure, large numbers of Labour's remainder voters jumped ship to the (rather undemocratic) Liberal Democrats, but crucially Labour losses in the EU election were much smaller than those of the Tories to the Brexit party. The Lib-Dems and Greens have picked up votes but a general election is now a long way off and holding onto these votes will not be easy.

How will this apparent stalemate be resolved? Even if a strong Brexiteer takes over as Prime Minister can parliament really thwart an intention to leave the EU at Halloween? An analysis from Maddy Thimont Jack at the Institute for Government argues that a new Prime Minister has it within his or her power to achieve no deal despite the current composition of parliament with its remainder majority.

Crucially, the Institute of Government argues that it is not possible to repeat the Cooper Amendment by which parliament forced the Government to seek an extension to avoid triggering no deal.

The Cooper coup was achieved via a clause inserted into the meaningful vote on the Withdrawal Agreement. A new Prime Minister would however not need any further meaningful votes thus depriving remainers of the opportunity to take over the reins of government.

Remainers could keep up the pressure with Opposition day motions or emergency debates but these are non-binding. Only a motion of no confidence in the government would work for remainers. The Tories currently have enough votes to win such a vote, but a new PM would need to work hard to ensure that no more Tories defect.

In short Brexit remains on a tightrope but no deal is now a possibility. My economic analysis that it involves only temporary disruptions. It is hard to believe that at some stage the EU will not wish to begin the free trade negotiations that 'no dealers' seek.

The Nicky Morgan/Greg Hands Commission will soon deliver a raft of technical solutions to the Irish border, removing the case for the

backstop. There is thus much to play for and we can anticipate a torrid autumn.