

Could the Brexit mess turn into a disaster?

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Theresa May finds currently herself in an impasse that could become a complete disaster if we leave the EU with no deal. Since the EU referendum vote in June 2016, Brexit has been the dominant UK news story. It's fairly certain that there are many who are heartily sick of hearing every twist and turn in a process that has seems to have no end.

Interminable debate concerning the merits of particular outcomes and the associated lexicon of terms has resulted in Parliament being deadlocked. It may be that the only way to resolve the situation is another vote.

Many contend that such a stratagem is fraught with danger. Should the vote produce a less than overwhelming majority for any decision, particularly if it is to effectively call a halt to the process by choosing to remain, would this really mean an end to the 'paralysis' of effectively dealing with anything other than Brexit? And even a second vote were to once again produce a majority in favour of leaving, as the fractious debate of recent weeks has amply demonstrated, what are the precise terms that people would wish the UK to depart the EU?

Brexit has created a fractured society that may take a generation of stability in order to heal. Theresa May's withdrawal agreement negotiated with the EU – and which simply commences the detailed negotiations that will be required in the long-term on trade – is advocated by supporters as being the least disagreeable outcome and preferable to either no deal or no Brexit.

The suspension of at last week's 'meaningful vote' has allowed May to try and sweeten the deal though, one suspects, whatever is offered will never be enough. However, she undoubtedly must hope that over the 17 day period of Parliamentary recess becomes a time for careful reflection by MPs who don't currently support the plan. As the

prospects of either no deal or, possibly, no Brexit, become ever more real, she anticipates garnering additional support.

The effects of 'crashing' out of the EU without a deal are profoundly serious regardless of the argument of supporters of a 'hard' Brexit that switching to WTO (World Trade Organisation) rules will, after initial pain and upheaval, result in future prosperity.

Estimates of the effects of a no deal by HM Treasury suggest a 9.3% decline in GDP over 15 years and that every region in the UK will be worse off. Under WTO rules there would be significant tariffs and quotas on all goods imported and exported in accordance with the its schedule. Depending on the commodity there is a range of WTO tariffs but, in most sectors, will be higher than the current average EU of 2.6% for non-agricultural products.

It's also worth pointing out that quotas and barriers could be equally catastrophic; especially in terms of their impact on the service sector which constitutes about 80% of the UK economy. The question that is being asked is that what people really wanted when they voted to leave the EU?

Shadow Brexit secretary Sir Keir Starmer speaking in a recent Parliamentary debate stated that Labour party analysis of the "no-deal technical notices" published by the government last summer indicated a need for the creation or expansion of 15 quangos. In addition, there would be a requirement for further legislation in 51 areas, the negotiation of 40 new international agreements and the introduction of 55 new systems.

Like many others in Parliament and beyond, especially within the business community, Sir Keir believes that the reality of a no deal is so dreadful that Parliament could never agree to it. Besides, he argued, there is insufficient time to prepare. The money being dedicated by government will not be enough.

Brexiters are fond of pointing out the £39 billion that will be saved by not paying the settlement to the EU. However, this amount could be chickenfeed when compared to the costs resulting from no deal. Economic analysts, The Institute for Fiscal Studies, believe that no deal would have similar effects to the 'three day week' in the 1970s

caused by the shortage of power generation caused by the miners' strike.

Whether May's gamble of suspending the meaningful vote on her deal until as late as possible remains to be seen. Perhaps MPs will, as supporters hope, accept the withdrawal deal that has been negotiated is as good we can ever get.

It has to be said that when you are playing high stakes poker you have to be prepared for the possibility of losing your everything you have bet. If Theresa May loses her the vote on her deal there is the very real prospect of the current mess becoming an even greater disaster politically and economically.

Perhaps Theresa May hopes for a visit from the angel Clarence seen in the nation's favourite Christmas film, *It's a Wonderful Life*, who allows her to create a world in which Brexit had never existed? Given the increasing potential for increased social and economic mayhem that would ensue from no deal, many would welcome the possibility of revisiting their voting decision in the June 2019 EU referendum if this were offered. Remember, all the portents are that 2019 will see a marked slowing down of economies throughout the world. A calamitous Brexit is the last thing we need.

The reality is that Brexit will continue into 2019 with all its attendant uncertainty. It's hard to envisage a time when the subject doesn't dominate news agendas and Parliamentary business. All we can hope for is that whatever occurs, we get through the current mess and avoid a Brexit that is so cataclysmic as to result in complete disaster from which the possibility of a return to prosperity becomes even more remote.