Year in a word: Deal

By David Hearne, Researcher, Centre for Brexit Studies

When challenged to summarise the year in a word, I struggled to choose just one. 'Backstop' was a strong candidate ("Year of the Backstop" has a nice ring to it!) In the end, however, one candidate stands head and shoulders above the rest: 'deal'.

We have heard an enormous amount about deals this year. In the UK this has primarily been in terms of Brexit, but let us not forget the international context: across the pond, the self-proclaimed 'King of the Deal' is busily engaged in waging what many have called a "trade war" with China, with the aim of pushing the Chinese towards a "deal" that he sees as more favourable.

In the Brexit context, the term "deal" remains one of the most frustrating and misleading pieces of terminology. It is thrown around with abandon by politicians and commentators. For many, particularly on the Brexit-favouring wing of the Conservative Party, the proposed Withdrawal Agreement can be summed up as:

One Deal to rule them all, One Deal to find them, One Deal to bring them all, and in the darkness bind them

In this version of events, the EU is cast as Sauron, seeking to enslave the UK for all eternity by trapping it in the much-maligned backstop. The reality is rather more prosaic.

There is no "One Deal". There were always going to be multiple agreements, the first of which is the proposed Withdrawal Agreement. This sets out the terms of the UK's "divorce" from the EU. Like any divorce, it deals with the most crucial issues – how is the money to be split and who gets the children. Given its troubled history, it was inevitable that Northern Ireland would prove a particular challenge and thus some form of additional "fall-back" position was always going to be necessary.

The Withdrawal Agreement, however, is merely the beginning. It is not a 'deal' in the sense believed by many: it says nothing about the

future relationship. Will the UK be permitted to participate in important EU regulatory agencies (notably the European Aviation Safety Agency, the European Chemicals Agency and the European Medicines Agency)? Will the Community License allowing hauliers easy travel remain valid? Will service sector businesses retain some form of passporting rights? What about broadcasters? What about alignment on the sanitary and phyto-sanitary (SPS) rules that account for some 80% of all checks of non-EU products at port? There is surely no doubt that a post-Brexit Open Skies Agreement will be concluded with the EU (and other relevant partners), but that too will need to be negotiated.

The Withdrawal Agreement has very little to say about any of these (notably excepting Northern Ireland, which will have to adhere to the EU's SPS regulations amongst other things). Such things will be covered in any 'future partnership' deal, which at the moment has barely begun to be discussed. Moreover, even this deal is likely to involve multiple agreements.

Moreover, as has been graphically pointed out by the UK's former representative to the EU, Sir Ivan Rogers, one of the biggest challenges with the proposed Withdrawal Agreement is precisely the fact that it doesn't resolve many of the issues associated with a "no deal" Brexit (Rogers, 2018). The proposed Withdrawal Agreement hands substantial power to the EU in any negotiations on the 'future partnership'. The Agreement is structured so that the "sword of Damocles" represented by a 'no-deal' scenario (with all the disruption that would present) will once again hang over the UK in the run-up to the point at which an extension to the transition period needs to be agreed.

As such, the UK will be under enormous pressure to make substantial concessions in order to avoid disruption. It is unsurprising that MPs do not relish being put in this position come 2020. Upon reflection, perhaps 2018 has been the year of the deal that wasn't!

Reference(s):

Rogers, I. (2018). Full speech: Sir Ivan Rogers on Brexit. Retrieved from https://news.liverpool.ac.uk/2018/12/13/full-speech-sir-ivan-rogers-on-brexit/