

No deal is still on the table: Simon Hix on Brexit in 2020

*LSE Brexit asked some of our academics to predict what kind of Brexit we can expect in 2020. **Simon Hix** says that while a no-deal Brexit is still entirely possible, Boris Johnson may want to protect vulnerable parts of Britain from the damage it will inflict.*

The election result was a decisive mandate for Boris Johnson to “get Brexit done”. But there is still a lot of uncertainty about what that means in terms of where we are heading by the end of 2020.

On the one hand, several things suggest we’re heading towards a harder Brexit, or even perhaps a no-deal Brexit at the end of 2020. Johnson plans to put into UK law, in the Withdrawal Agreement to be passed by the British parliament, a commitment not to extend the transition period negotiations beyond December 2020. Dominic Cummings, Johnson’s top advisor, is back now at the heart of No 10 on the back of what many in the Conservative ranks feel was an election outcome that vindicated his strategy for the party, and from what we know of Cummings, he would prefer a no-deal Brexit (leaving the EU on WTO terms) to any commitment to follow EU regulatory rules after we leave the EU.



Middleport Pottery in Burslem, Stoke-on-Trent, one of the constituencies that elected a Conservative MP in 2019. Photo: [Howard Stanbury](#) via a [CC-BY-NC-SA 2.0 licence](#)

We hear from the EU side that any agreement must respect what Ursula von der Leyen, the new Commission President, calls “zero tariffs, zero quotas, zero dumping”. What the EU means by “zero dumping” is that the UK must agree to sign up to EU social and environment rules, as well as state aid rules, in return for extensive market access. If the EU plays hardball on this, the UK and the EU could easily fail to reach an agreement by the end of 2020. And, no doubt, Cummings and the ERG Conservative MPs will argue that if we’re heading for a no-deal Brexit, it would be better to get that out of the way soon (in December 2020 rather than December 2022), so that there is plenty of time to tackle the hit on the likely British economy and public finances before the next election, which is likely to be some time in 2024.

On the other hand, the big majority for Johnson in the Commons means that the veto threat of the hardcore Brexiters in the Conservatives is much weaker, and almost any deal Johnson brings back to the Commons will almost certainly be adopted. Furthermore, Johnson will now be conscious that he needs to deliver a Brexit that protects the interests of his new coalition in the Midlands and the North of England, where employment in many of these new Conservative constituencies is dependent on the agrifoods industry, manufacturing, and public services. A no-deal Brexit, or even a very basic trade agreement that includes tariffs and quotas on agricultural products and many industrial products, would hit employment in these parts of the country very hard. There would also be a major hit on public finances from a collapse of some key sectors and the short-term downturn in the British economy, and this fall in tax revenues would make it very difficult for Johnson to deliver on his promises for the NHS and infrastructure spending in the Midlands and the North. With that in mind, Johnson may be tempted to accept a softer form of Brexit, such as a comprehensive FTA, covering all goods sectors and some service sectors, but in return for the UK applying EU social, environmental and state aid rules.

In short, there's a lot still to play for, and several very different outcomes are possible by the end of December 2020.

This post represents the views of the author and not those of the Brexit blog, not LSE.