The UK will never be ready for Brexit

Brexit had been falsely presented in 2016 as either economically positive or at worst economically neutral. Recent events show that today the government is confronted with a conundrum – it wishes to avoid the economic catastrophe of a "no-deal" Brexit while insisting publicly that a "no-deal" Brexit is perfectly manageable. In fact, all evidence proves that the UK will never be ready for Brexit, warns **Brendan Donnelly** (Federal Trust).

The National Audit Office released last week a report on preparations for the end of the transition period after Brexit. The report was critical of the government for the inadequacy of these preparations and, in particular, for its failure to foresee and respond to the predictable administrative consequences of Brexit. These individual criticisms are no doubt justified, but they should not obscure the larger political and psychological factors which always made it inconceivable that the government would approach its preparations for Brexit in a methodical and coherent fashion.

Increasingly since 2016, the British government has come to be dominated by those who fought and won the Leave campaign of that year. This personal history dominates their approach to government. They regard themselves as having triumphed in 2016 precisely because they ignored and ridiculed the advice of economic and political experts. It was not to be expected that in government they would be any more sympathetic to the warnings of these experts about the need for action to mitigate the negative economic and trading consequences of Brexit. Such warnings were, therefore, long met with indifference or outright hostility by the government and its advisers. It was furthermore a defining characteristic of the Leave campaign in 2016 that the proponents of Brexit advocated a range of different, often contradictory, future relationships with the EU. Without this heterogeneity, no winning Leave coalition could ever have been constructed. For several years after 2016, it was an abiding delusion of the UK government and its advisers that a "cherry-picking" future relationship with the EU could be installed which would be equally pleasing to all the components of the Leaver coalition. Such wishful thinking was another recurrent enemy of coherent planning to mitigate the practical consequences of Brexit.

Why was there no plan?

Once it had become clear in early 2017 that Theresa May's government, under pressure from its most radical Eurosceptic wing, had decided that Brexit involved British withdrawal from the Customs Union and the Single Market, a major and concerted effort should, however, have been put in place realistically to review and discuss with business the inevitable and largely foreseeable disruptive consequences of this decision; and to take the precautionary measures about the absence of which the NAO is now complaining. No such concerted effort was undertaken. There were powerful political and psychological reasons why it was not undertaken.

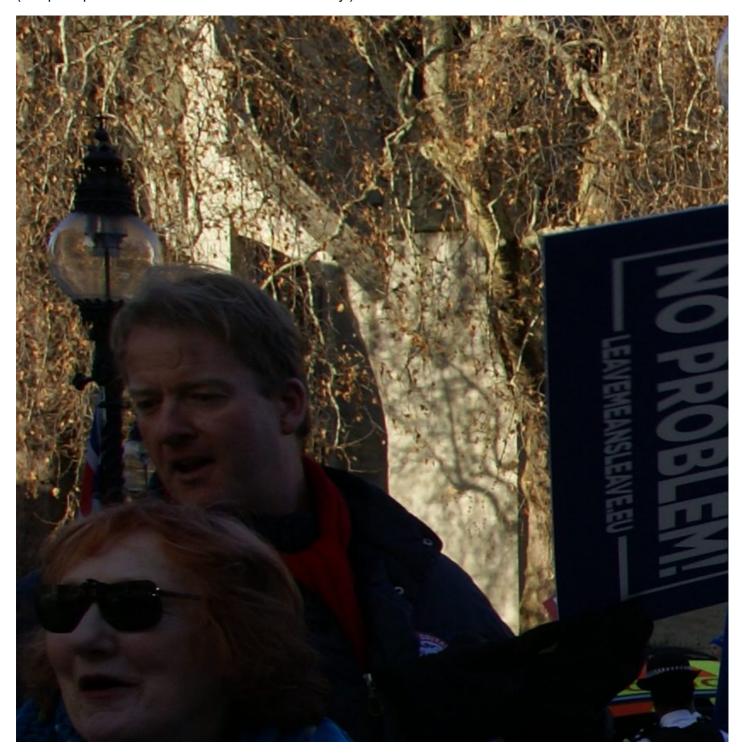
Principal among these reasons was the reluctance of those who won the 2016 referendum on promises of the "selfsame" benefits after Brexit, of "having our cake and eating it" and "the easiest trade deal in history" to recognise publicly that their promises had no basis in reality. To have initiated in good time the necessary wide-ranging programmes to deal with the negative economic consequences of Brexit would have been an implicit concession of the arguments underpinning the Remain case, which had focussed almost exclusively on the economic disbenefits of the UK's leaving the European Union. It could never be in the political interests of the Leave campaigners dominating the British government to advertise by obtrusive preparations the wide-ranging bureaucratic formalities Brexit would bring. It was infinitely more attractive for these campaigners to indulge themselves and their followers in over-optimistic projections about the willingness of the EU to conclude a uniquely favourable trade agreement with the UK, which would supposedly render these formalities unnecessary.

Wishing makes it so

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This understandable, if the cynical political calculation was reinforced until recently among some Conservative Ministers and advisers by the curious idea that making preparations for the negative consequences of Brexit was in some way a betrayal of the optimism and enthusiasm that should underpin the project. On this analysis, the conviction and self-assurance with which UK Ministers and officials should approach the Brexit discussions might be undermined if the UK government was too conspicuously preparing for the damaging consequences of Brexit, while M. Barnier and his team might be correspondingly encouraged. There is no evidence that this tactic has made any difference to the course of the UK/EU negotiations over the past four years. But the belief that it is possible by simple acts of will and resolution to rise above uncongenial reality is an important building-block of much pro-Brexit psychology. In its most extreme form, this is supposedly the British spirit which won the Battle of Britain in 1940 (and perhaps even the Eton Wall Game more recently.)





Now Brexit has happened

Since the UK formally left the EU in January of this year, a certain change has been noticeable in governmental rhetoric about the end of the transition period. Given the announced prospect of vast lorry-parks in Kent, given the growing complaints of an uncertain future from regulated sectors such as the pharmaceutical and chemical industries, and given continuing economic and political uncertainty in Northern Ireland, it has been impossible for the government to continue entirely ignoring the unattractive realities of Brexit. But even now, the government find it impossible to describe accurately the process which is unfolding. Ministers and officials employ a weaselly vocabulary of "challenges" and "opportunities" to describe what are in fact time-consuming and expensive new non-tariff trade barriers. Even more egregiously, the recruitment of thousands more customs officials as a result of Brexit is presented by a government's credibility on this issue enhanced by the many uninspiring Cabinet and middle-ranking Ministers it deploys to make its implausible case. Brexit has winnowed out much talent from the Conservative Parliamentary Party. The pool of ministerial talent is shallower in this government as a result.

The government continues to be confronted with two interrelated dilemmas. It wishes to avoid, if possible, the economic catastrophe of a "no-deal" Brexit while insisting publicly that a "no-deal" Brexit is perfectly manageable. At the same time, it wishes to persuade business to make the painful and necessary preparations for the end of the transition period, while presenting these changes to business as minor and benevolent. These dilemmas are intrinsic to a Brexit that was falsely presented in 2016 as either economically positive or at worst economically neutral. The consequences of these misrepresentations have haunted successive Conservative governments for the past four years and have now reached their bitter culmination. Much of the past four years has been spent either postponing or denying the necessity of painful decisions. Neither of these options is any more available to the government.

Watch this space

It may well be that Boris Johnson is still unsure whether he wishes to accept a "no-deal" Brexit, or whether he will be prepared to make the necessary concessions to secure a minimal "deal" with the EU. One consideration however which is firmly lodged in his mind is the desire, if a "no-deal" Brexit occurs, to blame the EU for its unpalatable consequences. A definite beneficial consequence of a "no-deal" Brexit from the Prime Minister's point of view will be his ability to blame the EU for all the negative consequences of Brexit. If Brexit takes place based on a "deal" between the UK and the EU, it will be much more difficult for the British government to avoid its share of Brexit blame game. A "no-deal" Brexit will also be easier for a much diminished Prime Minister to sell politically to his radicalised Conservative Party.

The above calculations, in which the national interest figures only marginally, are likely to inform the Prime Minister's final decision as between a "deal" and "no deal." This self-absorbed weighing of necessarily unpalatable options will be an entirely fitting conclusion to the tawdry Brexit process. "Minister, if you must do this damned silly thing, don't do it in this damned silly way," was the celebrated advice of Sir Humphrey Appleby. Opinion polls suggest that more and more British voters are coming to realise that Brexit was always a damned silly idea. They will soon be coming to realise that it has been carried out and was always going to be carried out in a damned silly way as well.

This article gives the views of the author, and not the position of LSE Brexit, nor of the London School of Economics. <u>You can watch a video podcast by Brendan on this topic here</u>. Image by <u>ChiralJon</u>, licensed under the terms of the cc-by-2.0.

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