

BRINO satisfies no-one. The Brexit wrangles are far from over



*As the cabinet pores over Theresa May's Brexit deal, where do we stand? **Dimitri Zenghelis (LSE)** says even if the deal passes ministers and Parliament, the uncertainty is far from over.*

In my last post for LSE Brexit, I wrote:

“Looking ahead, the prospects are not encouraging. The ‘agreement’ at Chequers and subsequent ministerial resignations reflect the fact that the time for appeasing Eurosceptic conservatives with vague language, while postponing detailed outlines of a workable Brexit plan, has run out. The resignations reflected the inevitable acceptance that the UK is heading towards some form of ‘Brexit In Name Only’, whereby the UK is a de facto EU member, paying into the budget and subscribing to the rules, but without representation or influence. One of the few things Remainers and Leavers see eye-to-eye on is that this is deeply unsatisfactory. This makes it an inherently unstable position. Yet the alternatives of No Deal (or even a ‘Canada deal’) or remaining in the EU are, respectively, too costly—especially as the UK has made no preparations for it—or politically toxic in the absence of a mandate from a new referendum.”

To use the PM's words: nothing has changed. The options for Brexit have always been internally contradictory or undesirable. They remain so. There is no stable equilibrium compromise. The Johnson brother resignations highlight this.



Theresa May at the Lord Mayor's Banquet, November 2018. Photo: [Number 10 Downing St](#) via a [CC-BY-NC-ND 2.0 licence](#)

If a deal is agreed in cabinet today, the pound will rise, business – desperate for certainty and keen to avoid a cliff edge – will rally round the PM and the government will embark on a major spin operation to sell it widely. This might prompt people to think an agreement is within reach. Yet in trying to progress the deal the government will face an intractable problem. As we move from speculation about what the deal will look like to an actual detailed text available for scrutiny and debate, the government will have to convince Parliament and others that what is on offer is better than 1) what the UK has now or 2) better than far greater regulatory and sovereign independence in the form of a Canada plus style arrangement.

Most sensible people (and a few who fall outside this category) agree that the current compromise 'Brexit in Name Only' (BRiNO) is the worst of all worlds (the term 'vassalage' is increasingly used by all sides). This fundamental shortcoming will hang over the government every time the agreement is debated. MPs will have to vote for something demonstrably worse than their preferred alternatives.

Where the parliamentary process will end up is anyone's guess. But one thing is for sure, even if cabinet resignations are avoided today, the uncertainty is far from over. Everything remains on the table.

This post represents the views of the author and not those of the Brexit blog, nor the LSE.

[Dimitri Zenghelis](#) is a Senior Visiting Fellow at the [Grantham Research Institute on Climate Change and the Environment](#) at the LSE. Previously, he headed the Stern Review Team at the Office of Climate Change, London, and was a senior economist on the Stern Review on the Economics of Climate Change. Before working on climate change, Dimitri was Head of Economic Forecasting at HM Treasury.