

Theresa May's timeline for Brexit: Canny tactics or Brexishambles?

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Theresa May has stated that the UK will trigger Article 50 before the end of March 2017. [Iain Begg](#) writes that while her speech gave some indication of timing, there is still no concrete statement on what kind of relationship the UK would actually like to negotiate with the EU. In the absence of this level of clarity he argues that the process risks turning into a shambles.



One hundred days on from the referendum, there is still no clear sense of what the UK wants its future relationship with the EU to be, despite Theresa May's announcement at the start of the Conservative Party conference that she will [trigger Article 50](#) within six months. Nor does her intention to put forward a 'Great Repeal Bill' reveal which EU laws will be kept or discarded. In what are bound to be tough, complicated and lengthy negotiations, no-one would expect the British government to reveal its hand too soon, but both the British public and the many counterparties across the EU are becoming increasingly impatient with the government's dilatory approach.

The reasons for the slow progress are easy to explain. First, the Cameron government insisted it would not set out a plan B, so that when the new government took over, the three 'Brexit' ministers most directly involved had to start virtually from scratch. Second, people knew what they were voting *against* in the referendum, whether staying in the EU or leaving the EU, but in a simple binary choice they could not say what they were voting *for*. The subsequent polling, as [explained by Lord Ashcroft](#), may tell us that voters regard curbing the inflow of EU migrants and, perhaps even more emphatically, no longer paying into the EU budget as core elements of Brexit, but does not help in resolving the inevitable trade-offs.

A third reason is that it is far from obvious what is in the UK's overall interest, let alone those of specific groups. Business leaders are alarmed about the prospect of being outside the single market, and want Brexit to be as close as possible to membership, but other voices (notably the Secretary of State for International Trade, Liam Fox) argue for a 'pivot' away from Europe. Farmers worry about their subsidies from the EU, while universities want to preserve their research funding from the EU and the flow of students, whatever the new regime for migrants becomes. So far the debate in the UK has been mainly around the post-Brexit model for access to the EU market: remaining fully in the single market; a free trade arrangement akin to the one Canada is close to concluding with the EU; or subject only to standard World Trade Organisation (WTO) rules.

In the emerging, if rather unhelpful, lexicon of Brexit, full access to the single market is deemed to be 'soft', while the WTO outcome is considered 'hard'. It has also been framed as, essentially, a British choice, with protagonists arguing about whether the benefits of their favoured option outweigh the costs. It has become a curious sort of phoney war in which the crucial question of what is likely to be acceptable to the rest of the EU has been too readily neglected. Will 'they', in other words, be receptive to what the UK, when it finally makes up its mind, wants from the negotiations? Are there issues other than those already prominently on the table, such as the rights of people from other EU countries to continue to live and work in the UK, likely to be potential deal-breakers?

In several policy areas, it will unavoidably be messy. For example, the other side to the endlessly repeated (if cynically mendacious) claim during the referendum campaign that leaving the EU would release £350 million per week to spend on the NHS is that the EU will lose these funds. The UK's gross contribution to the EU (after deducting the famous rebate) is almost exactly the same as the aggregate of the gross contributions of all twelve countries which joined the EU in 2004 and 2007. Plainly, they will not be asked to double their contributions if the UK stops paying, but they will find other net contributors, such as the Germans and the Dutch, reluctant to make up the

difference. The resulting acrimonious disputes will be blamed on the Brits.

A further budgetary dilemma is that some EU programmes are multi-annual, with expenditure allowed to continue well beyond the end of the current budgetary planning period, 2014-20. Big regional development programmes, including in the UK, and the highly prized grants awarded by the European Research Council, which UK academics have been disproportionately successful in securing, could still be active well into the 2020s. The UK could, therefore face a continuing bill long after its probable exit from the Union.

The process of disengagement from the EU will, in addition, pose challenges domestically about what happens to current recipients of EU funding. Farmers, researchers and local authorities receiving grants under EU Cohesion Policy have been told informally that they will still be funded up to 2020, but there will be ructions if the support then ends. The UK could seek to remain part of some EU programmes, such as the research one, with the implication that it would be expected to continue to contribute to the budget, despite popular objections. For Norway, Switzerland, Iceland and even tiny Liechtenstein, privileged access to the EU market comes with a price tag, as they contribute to the EU budget. In [Norway's case](#), the amount is substantial at €870 million per annum from 2014-2020, only €100 million less than Hungary, an EU country with double the population.

Because Brexit will lead to new winners and losers from whatever new trade arrangements are put in place, there may well be new demands for economic development support. This will oblige the government to come up with some sort of national framework for regional and/or industrial policy, two domains largely shaped at present by the EU approach. In this, as in many other policy areas, there has been no real public debate about [what the UK should do next](#). It could largely emulate the EU way of supporting farming or lagging regions such as Cornwall and the Isles of Scilly or West Wales and the Valleys, or it could go in radically different directions.

Brexit may well mean Brexit, as our leaders are fond of telling us, but there is much more to it than waving goodbye. There are good tactical reasons not to trigger Article 50 immediately, but if a more coherent way forward is not forthcoming soon, the process risks becoming a shambles.

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