

GETTING BREXIT STARTED

Prospects for a
new EU-UK partnership
into the 2020s





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Getting Brexit Started: Prospects for a new EU-UK partnership into the 2020s

Andrew Hammond and Tim Oliver

The withdrawal of the United Kingdom (UK) from the European Union (EU) on January 31 was a seminal moment in post-war history, and one that presents challenges and opportunities for both key parties. Yet far from being a single, isolated event, the departure derives from a much broader process of well over a dozen negotiations (a catch-all term used here for formal diplomatic discussions and wider debates about Brexit) between and within the UK and EU about their futures.

With so many Brexit negotiations still underway, this paper underlines that the final form of the UK's departure from the EU is not yet set in stone. Even with a withdrawal deal now ratified, there are multiple scenarios still possible: from a disorderly exit this year, through to the outside prospect of the transition being extended and a deep, comprehensive deal being concluded later in the 2020s. The stakes in play therefore remain huge and historic as both sides seek a new constructive partnership that can hopefully bring significant benefits for both at a time of global geopolitical turbulence.

Chapter 1

Next phase of UK-EU negotiations

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While the UK has shown failures of imagination with Brexit, this is also true of the EU. If even a minimal deal is to be agreed this year, all sides will need to show greater political and intellectual flexibility.

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Now that the UK has left the EU, there will be stronger momentum toward ‘second phase’ negotiations between London and its European partners in what could be the most complex peacetime dialogue ever undertaken by the parties. This section looks at six key dimensions of this debate which will shape the future relationship:

(i) Withdrawal deal debates set the context for 2020

Boris Johnson stormed to his big UK election victory in December with a slogan of “getting Brexit done”.¹ Yet, despite its political effectiveness, this key message was as misleading as it is simplistic.

While the prime minister implies leaving the EU—under the terms of the withdrawal deal he agreed with the EU-27 last autumn²—will put an end to the UK’s Brexit saga, this is fanciful. Even though Johnson has now got his tweaked version of the withdrawal deal ratified, removing Theresa May’s ‘Irish backstop’, this is not the ‘endgame’ of Brexit. Instead, the debate will merely move from the three core parts of the withdrawal deal—the Irish border, citizen rights, and the UK’s financial ‘divorce settlement’ from the EU—to a much broader range of second phase topics that cover everything from transport and fisheries to financial services and data transfer. Collectively these represent a new order of complexity.

One of the most striking features of the Article 50 period is that the governments of May and Johnson were often on the back foot vis-à-vis Brussels with many of the UK’s negotiating ‘red lines’ eventually being shredded.³ The fortitude of Brussels surprised many in the UK thanks to common misperceptions of the ‘chaos’ of the EU’s political process. The reasons for the resolve of the EU-27 in the face of the UK reflects at least three issues: the significant in-built advantages that Brussels enjoyed in the Article 50 process and its long track record of negotiating with third parties; the potentially

existential threat that some EU leaders perceive Brexit to be; and UK divisions which weakened its bargaining hand, especially after a disastrous general election in 2017 for May.

Once May triggered Article 50—prematurely so, given the absence of any UK negotiating strategy on Brexit—the initiative was handed over to the EU-27. This is because under Article 50 it was for Brussels alone, not the UK, to decide whether “sufficient progress” was made in the first phase of divorce talks to justify moving to the next one. In essence, the bloc could be both the judge and the jury.

As well as adjudicating the process, Brussels also controlled the time-tabling, too. This was reflected in Chief EU Negotiator Michel Barnier’s early, big win over the sequencing of talks. On day one of the formal negotiations, the UK abandoned attempts to start talks on a future trade deal immediately, agreeing instead that divorce issues would come first, ceding further vital bargaining power.

Another reason for Europe’s relative unity over Brexit is that key leaders, including French President Emmanuel Macron, regard the UK’s exit as an act of political vandalism to the continent. The tough approach agreed by the EU-27 therefore reflects an overall belief that the 2016 referendum should not become an existential threat to the future of the Brussels-based club. If the UK were perceived to be given an easy ride in negotiations, Brussels feared, member states that have already struggled with Euroscepticism would be vulnerable to political contagion.

In this context, any UK government would have had a difficult hand to play in the Article 50 talks. However, what has made a bad situation immeasurably worse was the political weakness of May and the shambles of the UK’s negotiating position. The division and occasional incompetence were remarkable, with public infighting in the cabinet sending signals that its Brexit plans were in disarray. Moreover, it was clear that the UK had

still not reconciled many key negotiating ‘trade-offs’ by apparently wanting close, favourable post-Brexit ties without the perceived costs.

Take the example of the so-called divorce bill, which has seen a massive UK climb down from previous red lines. While Johnson as foreign secretary said Brussels could “go whistle” on this issue, he and May have essentially kowtowed to the EU. This underlines just what a falsehood it was to have argued, as some Brexiteers did in 2016, that the UK could leave the EU and secure a new trade deal cost-free, whilst pocketing some 350 million pounds a week in savings that could be redirected to the UK National Health Service. Far from taking back control, there was capitulation after capitulation by May, Johnson and their governments to Brussels.

(ii) Managing the transition period will be complex

While some have been reassured by a transition period to help smooth the Brexit process, the months to come contain much risk, as well as opportunity. Timeframes will be exceptionally tight, unless Johnson U-turns and the transition is extended, in part because Brussels is not allowed by law to conduct formal negotiations on a new trade deal until the EU-27 has approved a joint negotiating mandate. That latter process could take weeks, meaning formal discussions may not begin until March at the earliest and, because a deal would need to be ratified, negotiations realistically must be completed by early autumn.

This leaves lots to be done without much time. Take the example of converting the 600-plus page withdrawal agreement into a trade deal. As the Canadians found in their efforts to secure the Comprehensive Economic and Trade Agreement (CETA),⁴ such a feat of producing a trade deal with Brussels could take several years. Even the approximately 25-page political declaration that top-lines the future EU-UK relationship will require

intense negotiation as it is translated into hundreds, if not thousands, of pages of legal documentation.

Another challenge of reaching a deal is the fact that, post-election, the UK government has doubled down on its message that it wants significant freedom to diverge from EU regulations. On January 18, for instance, Chancellor Sajid Javid asserted in the context of manufacturing that “there will not be alignment, we will not be a rule taker, we will not be in the single market and we will not be in the customs union”.⁵ While Javid has declined at this stage to specify which rules the Johnson team want to drop, his pointed intervention highlights the problems of realising the pre-election pledge of securing “frictionless trade” with the EU-27 post-Brexit.

In this context, Barnier has said a “bare bones” agreement is probably the best that can be hoped for in 2020,⁶ and not the kind of deep trade deal promised by some Brexiteers in 2016. The challenge of the latter happening in practice is one reason why some European politicians, such as Irish Foreign Minister Simon Coveney, have proposed a five-year transition period.

Yet Johnson has made it a pledge not to extend the current December 31 2020 end to the transition period.⁷ This threatens a new ‘cliff-edge’ in negotiations and what would, in effect, be the threat of a disorderly Brexit raising its head again.

If this happens, both Brussels and London would almost certainly need to return to the negotiating table in the months that follow, but with a new set of incentives.⁸ Such discussions could take significantly longer in this scenario than if Johnson were to secure a deal in the transition period.

Outside a transition, the negotiating process could get significantly harder, with the same trade-offs as before, but with potentially added time pressure if the UK economy is hurting more than that of the EU. One factor that may make concluding a deal significantly more difficult is

that—outside of the formal transition process which requires only a ‘qualified majority’ of states to ratify—EU-27 unanimity would be needed. The possibility of just one European state blocking an agreement thus remains a key risk.

(iii) Negotiating a new UK-EU relationship requires more flexibility from both sides

While the UK has shown failures of imagination with Brexit, this is also true of Brussels too, which— if even a minimalist deal is to be agreed this year— will need greater political and intellectual flexibility.

Brussels has struggled to define what Brexit should mean, partly because this forms part of wider, difficult questions around where the EU is headed in coming years, which is outlined more in the next chapter. Of course, Brussels has offered up numerous opportunities over the last few years to Britain, but there could potentially have been greater willingness to think beyond ‘off-the-shelf’, standard options for what a close, future partnership could mean.

Yet, many across the continent have been concerned about the threat to the EU of a potentially successful—or at least the appearance of a successful—Brexit in coming years. Understandably, they do not want to be seen to shift positions fundamentally solely because of pressures from London. Now that a UK withdrawal agreement is agreed, there is a growing requirement for the EU-27 to think more outside the box. For instance, in what has been an inherently political negotiation over the withdrawal deal, the EU was sometimes too legalistic and doctrinaire with the process in a way that would have made it hard for any UK government to deliver.

Lack of imagination by Brussels in Brexit talks stems, in part, from initial complacency in some EU quarters over concerns UK voters expressed in the referendum which may have been dismissed

too easily as British exceptionalism. However, even Macron admitted in 2018 that his country might vote for 'Frexit' if a similar referendum were held in his country.⁹

Moreover, some EU-27 decision makers, although initially concerned that Brexit could lead to a domino effect across the continent, have perhaps even come to see the UK's departure as a 'problem' that may even be positive for Brussels, especially in a context where subsequent polls have shown popular support for the EU at higher levels across much of the continent.¹⁰ In part, this stems from a long-held perception held by some that further EU integration tends to only happen through crises.

Yet, this has potentially risked underplaying the full scale of the challenges facing the bloc, of which Brexit is just one, which are outlined in the next chapter. Now is therefore the time for Brussels, not just London, to redouble Brexit diplomacy to help ensure that a disorderly exit doesn't come to pass.

(iv) Ratifying a new UK-EU relationship is not straight forward

Even if an agreement is reached this year, ratification is not a done deal. This has been highlighted by the troubled approval process for CETA, which some, including Johnson, have pointed to as a potential model for future UK-EU relations, which saw a near breakdown of negotiations in 2016. The turbulence came to a boil in October that year when Wallonia—one of Belgium's six legislatures—indicated to Canada that its opposition to key provisions were 'red lines'.¹¹ The opposition delayed, and nearly derailed, the Belgian government's approval.

While Wallonia's concerns were ultimately smoothed over, the episode underlined that big trade deals from CETA, to any phase two Brexit deal, need approval by around 40 national and regional parliaments across Europe before they can be ratified and implemented. This gave rise

to concerns in 2016 by senior EU officials who appeared exasperated at the time that the comparatively small region of Wallonia with a population of around 3.5 million could potentially derail CETA for the EU's then-approximately 500 million residents, and Canada's roughly 35 million citizens.

For instance, then-EU Trade Commissioner Cecilia Malmstrom asserted that "if we can't make [a deal] with Canada, I'm not sure we can make [one] with the United Kingdom". Former European Council President Donald Tusk went even further saying that "if you are not able to convince people that trade agreements are in their interests ... we will have no chance to build public support for free trade, and I am afraid that means that CETA could be our last free-trade agreement".¹²

Moreover, any deal agreed between the UK and the EU will need approval of the European Parliament and, potentially, the European Court of Justice (ECJ). It is often forgotten that in the early 1990s the ECJ struck down some early arrangements for European Economic Area (EEA)-EU relations, ruling that they breached the EU's treaties. UK and EU politicians may therefore face considerable constraints in creating a new UK-EU legal architecture, too.

(v) Bilateral relationships with the UK could now test the EU's unity on Brexit

While Brussels continues to stress the unity of the bloc on Brexit, each country has distinctive interests that inform its own stance. These differences may become increasingly clear in 2020, especially now that there is a majority government again in London.

EU-27 positions vary according to factors such as domestic election pressures, levels of Eurosceptic support within their populaces, security considerations, trade ties and patterns

of migration with the UK. The varied, complex positions of EU states on Brexit ranges from the UK's fellow non-Eurozone member, Sweden, whose political and economic interests are broadly aligned with UK positions, to countries with more countervailing postures.

Take the example of France which has long had a complex, contradictory relationship with London in the context of EU affairs. Macron's Brexit positioning, including his robust stance against full UK access to the single market in the future,¹³ is reinforced by broader French plans to pitch Paris as a competing financial centre to London, which began in earnest under the presidency of Francois Hollande. This saw former finance minister Michel Sapin and Hollande's Brexit special envoy Christian Noyer, a former Bank of France governor, begin openly promoting Paris with key financial firms after the 2016 referendum.¹⁴

This has continued under Macron and in 2017 he hailed the decision to relocate the European Banking Agency (EBA) to Paris from London as "recognition of France's attractiveness and European commitment". French officials hope that the EBA's relocation will help bring many thousands of UK banking jobs to the French capital, which is competing post-Brexit with other financial centres, including Frankfurt, with many on the continent asserting that London cannot remain as the key euro-denominated financial clearing centre.¹⁵

France is not alone in having a complicated Brexit stance. Spain is home to around 300,000 UK citizens, and has a significant trade deficit with the United Kingdom which might, other things being equal, favour softer negotiating positions on the UK's departure. However, this picture is complicated by other factors, including Gibraltar's future. Madrid has already invited the UK government to post-Brexit negotiations on Gibraltar, the UK overseas territory on the Spanish coast, including putting forward proposals for joint sovereignty.¹⁶

(vi) EU-UK foreign, security and defence cooperation post-Brexit

Johnson has emphasised that while the UK is departing the EU, it is not leaving Europe, and he wants to continue, if not intensify, cooperation with EU partners in areas including crime, counter-terrorism and foreign affairs. To this end, he has highlighted that he wants close liaison with EU allies on foreign and defence policy to keep the continent secure, including the prospect of UK military personnel remaining for some time in Eastern Europe.¹⁷

This potentially extensive web of security and defence relationships may be strongest if moulded upon the type of bold, ambitious free trade agreement with the EU that he has set out as one of his key Brexit negotiating objectives. At this stage, Brussels has not yet formally commented in great detail on post-Brexit security and foreign policy cooperation with the UK. However, it is likely that many national leaders, including in Germany, France and Eastern Europe will particularly favour a continued, strong, working relationship given the growing array of external security challenges facing the union.

Take the example of Germany which signed in 2018 a bilateral defence cooperation deal.¹⁸ Both London and Berlin are not just agreed on the need to show a common front in Eastern Europe, but also internationally in the campaign against terrorism in the Middle East, with Germany previously supplying reconnaissance aircraft alongside bombing missions of the UK's RAF against Daesh. ■

Chapter 2:

The EU post-Brexit

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Brexit is just one of several challenges confronting the EU that include pressures facing the Eurozone, Schengen, Russia relations, the future of NATO and ties with the US. How Brussels responds to all of these will determine its place in the world and help frame its future relationship with the UK.

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How the EU will change because of Brexit could be the most important, but often overlooked, outcome of the UK's withdrawal. There are at least three debates about the EU's future underway:

(i) Rebalancing and reforming the Union is speeding up

Until January 31, the UK had remained a member of the EU with all the same rights and powers as any other member state with the exception of not being allowed to partake in discussions amongst the other 27 nations about how to handle Brexit negotiations. Yet, with withdrawal of one of its largest member states, the EU is already reforming by necessity,¹⁹ including restructuring EU budgets, staffing, and the number of MEPs.

More broadly, the union's centre of power may shift significantly, with as-yet unclear consequences for policy direction. Here there were initial fears expressed by some after the 2016 referendum that larger member states would reach an agreement with the UK, signalling a potential shift away from the EU's supranational institutions towards a more intergovernmentally-run union.

A broad range of EU policy could change markedly, in the 2020s, altering the political economy of the union. The UK's influence over the EU can often be overlooked, not least by its own populace, thanks in part to its reputation as an awkward partner.²⁰ This sometimes confuses popularity and effectiveness. The UK has pushed for an enlarged union where deregulation and free-market economics are the norm. Attempts to move away from this, for example in tax harmonisation, could take a step forward without the UK as a blocker.

This does not mean, however, that Brexit will solely define the future of the EU. Instead, the UK's exit is one of several challenges confronting the bloc that include ongoing pressures facing the Eurozone,²¹ Schengen, Russia relations, the future of NATO²² and ties with the United States (US). How the EU responds to all of these will determine its place in the world and help frame its future relationship with the UK.

(ii) EU in a more complex, multipolar Europe

Brexit is changing the EU's relationship with other non-EU European countries, namely Norway, Switzerland, Ukraine, Turkey, Lichtenstein and non-EU states in the Balkans. Each has developed relations with the EU that, most obviously in the case of Norway and Switzerland, but also to a lesser extent Turkey and Ukraine, were intended as a means to the end of eventual EU membership or at least closer relations with the EU. Brexit has not (yet) thrown these processes into reverse, with eventual accession to the Brussels-based club remaining an option, but it does, however, open up new possibilities for future relationships centred around continued non-membership.

Decision makers in these states have used the Brexit vote as an opportunity to raise questions about the future of their relations with the EU. There has been some limited discussion as to whether Brexit might open opportunities for a radical overhaul of Europe's institutional architecture, with one such proposal calling for a new "continental partnership".²³ Such ambitious plans have faded, however, partly because the complexities of the Article 50 negotiations were perceived to tarnish Brexit, but they do point to opportunities for future change.

Such reform may be needed not only to deal with the changes that the UK exit brings to European geopolitics, but also to deal with wider trends of which Brexit is only one. Europe already feels the pull of different world powers, the US and China, and it also struggles locally with the geopolitical disruptions of Turkey and Russia. This new multipolarity has brought greater uncertainty to Europe, and with Brexit making Britain another pole, the geopolitical terrain becomes all the more complex. If population projections hold, it is Russia, Turkey and the UK that look set to be the most populous countries in Europe by mid-century, thereby leaving the EU in the middle of large, assertive states.

(iii) EU in an increasingly assertive, multipolar world

The UK's exit reinforces an existing perception, in some quarters, of Europe as divided, weak and declining. From the perspective of decision makers in states such as Russia,²⁴ where sovereignty and hard power matter, Brexit is seen as an especially significant loss of power for the EU. Europe's long history of struggling to overcome internal problems is one the world is also accustomed to dealing with. A period of introspection with resources and time spent dealing with internal issues means the EU may be more distracted from key international matters which others will take the lead on.

Three states in particular will be crucial to shaping how Brexit plays out vis-à-vis Europe's changing geopolitical landscape and an emerging multipolar world: Europe's hegemons—Germany, the US and Russia. Other powers such as France or China will influence Brexit, but it will be the choices of the first three—whether to engage, exploit or ignore—that will shape the context of European and international politics in which Brexit unfolds. ■

Chapter 3:

The UK post-Brexit

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In the political uncertainty since the 2016 referendum, Theresa May, Boris Johnson, and other political leaders such as Jeremy Corbyn have focused not just on Brexit. They have also tried in different ways to use the UK's withdrawal from the EU as a means to affect wider changes to Britain's political economy, identity, constitution and place in the world.

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Much attention, since the referendum, has focused on intra-UK debates about Brexit, and it is already clear that the referendum could be a decisive trigger for a series of changes to the nation's unity, constitution, identity, political economy, and place in the world. There are six debates to watch:

(i) The (continued lack of a) Brexit narrative

Modern British politics has traditionally been dated from the watershed election victories of 1945 and 1979,²⁵ both of which saw the arrival of a government that was perceived by many to establish a new political, social, economic and foreign policy settlement. 2016 is seen by some as also having provided a reset too, however, instead of a new consensus British politics now appears more defined by a narrative of dissensus that poses significant constraints.

The consensuses that followed 1945 and 1979 were, of course, the product of changes long in the pipeline that connected to wider international trends. Whether it was the Great Depression, the end of the Second World War, or the collapse of Bretton Woods, each reset reflected problems in the previous system. However, the revolutions were by no means complete, nor entirely accepted. After all, despite Thatcher's efforts, state spending remains high and British relative decline remains real.

In the political uncertainty that has reigned since the 2016 referendum, May, Johnson and other political leaders such as Jeremy Corbyn have focused not only on Brexit. They have also tried in different ways to use the UK's withdrawal from the EU as a means to affect wider changes to Britain's political economy, identity, constitution and place in the world. This was especially the case for May, who, following her disastrous decision to call the 2017 election, was overwhelmed in her efforts to define Brexit as a way to rebalance the UK economy.

Johnson's victory in the 2019 election provides him with the potential to be more successful. The question remains, however, as to what he wants to achieve in power. A man often accused of having no fixed principles or ideology may find it personally difficult to lead, let alone sustain, a coherent, lasting consensus that goes beyond a warmed-up mix of Thatcherism and Cameronism. The result is that instead of a defining narrative or coherent agenda, Britain's politics, society, economics, constitution, unity and place in the world remain contested to such an extent that there may now exist a 'constraining dissensus'.

The idea of a constraining dissensus has also been applied to the EU itself.²⁶ The emergence over the past thirty years of multiple forms of Euroscepticism have left the EU struggling to integrate in ways it once did when a more permissive about integration prevailed amongst the EU's citizens and politicians. The UK now faces a potentially similar fate with divisions created by Brexit, uncertainties about the UK's unity, and a constitution and party system in a state of flux making it difficult for a new major settlement to emerge.

(ii) Negotiations in Westminster

A combination of intra-party divisions over Europe and the loss of the Conservative's governing majority in the 2017 election put the Westminster Parliament at the centre of the UK's Brexit debates. Parliamentary defeats on a scale not seen in modern British history signalled how May's leadership had become so hapless that ministers openly manoeuvred to replace her. The Conservative victory in the 2019 election, and Johnson's strengthened position as leader of a party that has seen the departure of many of its pro-European MPs, would appear to push Parliament to the side lines of Brexit debates and negotiations. While this is the case in some respects, in others it would be premature to

think Westminster legislators will play no further significant roles.

The idea of parliamentary sovereignty makes the Westminster legislature the cornerstone of the UK constitution. Traditionally, however, its central role declines as soon as control of Parliament is secured by one party through a majority in the House of Commons. This is especially so in foreign policy matters where the government can proceed largely unchecked thanks to such powers as the Royal Prerogatives. No surprise then that Johnson's government has moved to minimise parliament's role in the oversight and ratification of ongoing UK-EU negotiations.²⁷ In this he may be more successful than May, but he still faces significant challenges.

Parliament's willingness to accede to executive demands has been in decline for several decades. Backbench MPs have generally become more independent and willing to defy party whips. Select Committees have gained in power, offering an alternative career path to becoming a minister or member of a shadow cabinet. The issue of Britain's relations with Europe remains a difficult one for all political parties, with the nature of the new UK-EU relationship promising fraught, passionate debates, if not necessarily the sort of historic votes seen under May. No party commands a lasting majority in a House of Lords that has not shied away from checking successive governments on a range of matters. Freedom of Information legislation has provided access to levels of data that previous generations of MPs struggled to secure. The EU's transparency in the withdrawal negotiations, and intention to continue this in the next stage of negotiations in 2020, has weakened the UK government's ability to hide key details from Parliament and the media. This has all been bolstered by the role of the judiciary. May's efforts in 2017 to trigger Article 50 through the Royal Prerogatives were derailed by the Supreme Court, while Johnson's efforts to prorogue Parliament met a similar fate.

Of course, a government with a majority of 80 in the House of Commons will have significant control over parliament. Assuming, however, that the government commands all it surveys overlooks that Tony Blair, for instance, suffered a series of sizeable defeats despite his large majorities. Johnson might have won the largest Conservative advantage in the House of Commons since Thatcher in the 1987 election; however, she was ousted by her party's MPs three years later highlighting that prime ministers are not presidential figures. Their position is, as the political scientist Richard Heffernan has argued, better understood as one of 'prime ministerial predominance': they lead but do not command the executive; direct but do not control its policy development; and manage but not wholly dominate the legislature.²⁸

(iii) Negotiations in Whitehall

Britain's vote to leave the EU triggered a series of changes in the structure and operation of the UK government that continue to unfold today. The establishment of the Department for Exiting the EU (DExEU) and the Department for International Trade (DIT) were the most prominent reforms. Bigger changes, however, happened across UK government as departments prepared themselves to manage the short-term demands of Britain's exit (including significant disruption to day-to-day business) and the longer-term demands of exercising powers that have now been returned from Brussels.²⁹ The latter especially have often passed without much comment, despite the new bureaucracy being created. An increase in the number of UK civil servants is one of the few certainties of Brexit in the foreseeable future.³⁰

DExEU has long been haunted by the likelihood of its abolition or merger with another department. It has struggled to assert itself since May moved most decision-making and power over Brexit negotiations to the Cabinet Office and 10

Downing Street. This was unsurprising given how central Brexit has recently been to so much in UK government. DExEU, a separate ministry tasked with a leading coordination role, was always destined to struggle without the direct, continued input of the prime minister.³¹

The challenge of coordination, however, remains very real. First, as noted above, the prime minister can direct and lead but not command and control the executive and policy development. The Cabinet Office remains small compared to the large departments of state it seeks to coordinate. Some of DExEU's responsibilities will inevitably be transferred to other departments.

One suggestion proposed has been for most of DExEU to be merged with DIT, where it would become something of a 'super-ministry'. Such departments have a history of becoming unwieldy or perceived as a threat to prime ministerial powers. This could become problematic for Johnson if he governs as prime minister the way he did as mayor of London where he was content to allow deputy mayors to operate with significant independence.³² While governing London is no simple task, the powers and responsibilities of the mayoralty are much less than those of the prime minister and central government. Disagreements between ministers, departments and officials are normal under any government. To get Brexit started most effectively, however, will require concerted efforts to deliver greater unity of agenda and purpose.

(iv) Constitutional negotiations and debates

Brexit has exacerbated tensions over the unity of the UK which can be divided into three groups, all pointing to a union that faces an uncertain future. Firstly, the withdrawal negotiations, their ratification by the House of Commons, and May's dependence on the support of Northern Ireland's Democratic Unionist Party (DUP) MPs put Northern Ireland at the forefront of UK politics in a way it

had not been since the Good Friday Agreement. Largely ignored in England, Scotland and Wales as an issue during the 2016 referendum, the question of Northern Ireland post-Brexit emerged as a major problem in UK-EU negotiations. Leaving the EU's single market and customs union and maintaining an open border between Northern Ireland and the Irish Republic became an impossible challenge for May to overcome, not least due to her dependence on the support of the DUP.³³

Johnson's decision to allow a border between Northern Ireland and the rest of the UK has enraged the DUP, but the 2019 election result has ended that party's leverage over the Conservatives.³⁴ That same ballot saw the nationalist parties, Sinn Féin and the Social Democratic and Labour Party (SDLP), win nine MPs compared to the DUP's eight Westminster seats. With Sinn Féin and SDLP MPs now outnumbering unionist counterparts, questions have inevitably arisen as to how soon a referendum might be held on Irish reunification. The possibility of such a vote, let alone the outcome, remains far from certain. While London remains committed to the unity of the UK and Dublin to the cause of Irish reunification, there are challenges for both sides. Northern Ireland's politics and society have long been distant to many in the UK. Meanwhile, the constitutional, economic, social and security costs of Irish reunification are not a matter that decision makers in Dublin can overlook.

While Northern Ireland was relatively muted as an issue during the 2016 referendum, the prospect of Brexit leading to Scottish independence was actively debated. Now the 2019 election result and the SNP's continued political strength in the Scottish legislature mean either a second independence referendum (after the first one in 2014) or growing tensions with the rest of the UK are inevitable, particularly given that Scottish First Minister Nicola Sturgeon has asked the UK government to agree to a new independence vote. Johnson's decision to reject her request deals

with the issue in the short-term; however, the SNP are playing a longer game, expecting to dominate results in the 2021 Scottish elections.

Polling shows Scots remain split over the independence question, albeit with the pro-union vote slightly ahead.³⁵ There exists therefore a real possibility that a second vote could see a small majority in favour of leaving the UK, producing a similar result to the 2016 EU referendum. Indeed, the European ballot serves as a powerful reminder that for all the economic, trade, administrative, constitutional, social and foreign policy implications of withdrawal, the politics of sovereignty, nationhood and other political issues may yet prevail. Any unionist campaign therefore focusing on a purely economic and transactional relationship (a very narrow narrative for a successful 300-year union that has achieved far more) would be taking an immense risk. At the same time, for supporters of Scottish independence, the tensions and divisions unleashed since the 2016 EU vote also point to the possibility of a divided Scotland following any narrow vote for independence.

A third group of tensions revolve around the future of England in the UK, and the unity of England itself. Accounting for 84% of the UK's population and economy, how the English view the union's future is also key. England's lack of a separate, distinct parliament from that at Westminster; an identity that mixes English and British; and a series of divides between North and South, cities and towns/rural areas, point to a country and nation in flux.

There is perhaps little surprise then that a June 2019 survey showed a majority of Conservative members, who are largely English, were willing to accept the departure of Scotland and Northern Ireland from the UK as a price worth paying for Brexit.³⁶ That this same party then won seats in last December's election across a larger geographical footprint in England than in other recent ballots, including in the North which Labour has long

dominated electorally, may signal a political willingness amongst larger numbers of English people to embrace life without the rest of the UK.

A focus on England-UK relations, however, can overshadow divisions within England itself. The place of London, especially, should not be overlooked here by political focus and discourse shifting towards 'left behind' towns, particularly in the Midlands and North, very important as that agenda is. London is far more than Westminster, Whitehall, 'the City' and the so-called 'metropolitan elite'. Its huge economy (24% of the UK's GDP), its distinct demographics, its extremes of wealth and power, its myriad of political institutions and links with Europe and the wider world mean that London will continue to be central to our national life, post-Brexit.

(v) UK's political economy

The aforementioned 1945 and 1979 resets revolved largely around the UK's political economy, and this could be true in the 2020s too. The first key debate centres around rebalancing the UK economy, possibly by embracing a so-called 'Singapore on Thames' model favoured by some Brexiteers.³⁷ The imbalances in the economy have long been a concern in UK politics. May hoped to use the UK's departure from the EU to affect a rebalance in order to reach out to the 'left behind' who, it has long been argued, disproportionately voted for Brexit.³⁸ Johnson is pursuing a similar agenda, with the Conservative's success in winning last December a large number of seats in the Midlands and Northern England helping bring extra political energy to this issue.

What this will lead to in terms of a potential new economic model, however, remains unclear. Conservatives have long struggled to balance a commitment to globalisation and free trade with sovereignty and nationalism. Talk of embracing a 'Singapore on Thames' approach—that of

deregulation, free trade but a strong central state—faces a number of problems. First, it can misread Singapore where state involvement can still be significant. Second, the economic costs and disruption of moving to such a model will probably hit hardest the disadvantaged communities it is supposedly designed to help. Meanwhile, London already is, to some extent, the UK's 'Singapore on Thames' thanks to being the UK and Europe's leading global city and financial centre.

The second debate will revolve around the extent to which the UK is or should be a European-aligned economy. Many Brexiteers argue that diverging from the EU will boost growth and allow the country to develop links with key countries across the globe, including emerging markets such as China, and longstanding allies in the Commonwealth such as Canada. Some divergence is inevitable as the UK and EU economies evolve. However, the ability of the UK to then leverage these economic links, in the short term at least, can be overplayed. Liam Fox, a pro-Leave former Conservative cabinet minister, has argued this point inasmuch as new post-Brexit trade deals are only a means to an end and that the UK economy needs to be better configured to benefit from them.³⁹

Leave campaigners have also struggled, so far, to offer details of where the UK will diverge from EU regulations. Europe is likely to continue to be the UK's main trading partner, a situation that historically only changed when the world economy descended into protectionism with Britain opting for imperial preferences. This is not to deny that options to diverge exist, especially in terms of alignment with the US. A trade deal with Washington will therefore likely be one key area which the Conservative government will prioritise. Yet, the structure of the UK economy, the costs of change, and the continued pull of the EU as a regulatory superpower (an impact that is felt globally) may mean much of such talk is political posturing.

(vi) UK's links with the world

The Brexit withdrawal negotiations highlighted two critically important, inter-connected aspects to the UK's international position. First, that much of the UK's strategic focus will remain on Europe. That is hardly a surprise given that the continent and the North Atlantic are Britain's immediate strategic neighbourhoods.

Brexit, however, has actually necessitated an increase in UK resources, such as diplomatic staffing, focused on Europe.⁴⁰ This is far from a short-term change only to deal with the immediate challenge of exit negotiations. Britain's decision to exclude itself from EU decision-making forums—Europe's predominant organisation for politics, economic, social and non-traditional security matters—means it will have to double down on these efforts to influence decisions from the outside.⁴¹ That extends beyond government to include UK business and civil society too.

This reality will, however, not be one that Johnson's government will willingly admit to. The forthcoming Strategic Defence and Security Review (SDSR) may therefore play down the importance of the EU. That would be a reminder of how inherently political the SDSR process can be. NATO, the EU and Europe as a geopolitical space should be given central places in the SDSR given that Britain's number one strategic aim remains the prosperity, stability, and security of the continent which, as Winston Churchill said, is where the UK's political "weather comes from".⁴²

Second, the UK has evolved in the post-war period into a European regional power. This is not to deny that Britain remains a very significant player on the world stage, as a permanent member of key forums such as the UN Security Council, which wields considerable military, economic and soft power to boot. One of the mistakes pro-Europeans

made in the 2016 referendum was a failure to better connect a sense of the UK's importance and uniqueness to its continued membership of the EU which can amplify these strengths. Moreover, arguments that the British should behave more like an 'ordinary' nation overlook its history as a world power, and politicians who talk down one's country often suffer public backlash.

At the same time, some Brexiteers have overplayed the UK's strengths, significant as these remain. The withdrawal negotiations showed this with the EU underlining why it is a trading and economic superpower accounting for around 20% of global GDP compared to the UK's approximately 3%. This extends beyond UK-EU relations too. Talk of Britain unlocking a new era of global trade in the 2020s, including swift negotiation of very favourable trade deals with a broad array of countries, have been muted by the reality of the UK's bargaining power in a world shaped by global economic superpowers including the US, EU and China.

Conclusion

This paper has highlighted the remaining complexity of the Brexit debate, and that the final form of the UK's departure from the EU remains far from clear. Even with a withdrawal deal ratified, there are multiple scenarios in play, including the still significant possibility of a disorderly exit given Johnson's current red-lines around the transition ending in December.

The stakes therefore remain huge and historic, not just for the UK, but also for the EU which could be damaged by such a disorderly Brexit. Delivering a smoother departure needs clear, coherent, and careful strategy and thinking on all sides so that the EU and UK can move toward a new constructive partnership that can hopefully bring significant benefits for both at a time of geopolitical flux. ■

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