

10 December 2020

THE UK ON THE BRINK OF DISASTER – OR NOT?



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SUMMARY

The administrations in Belfast, Cardiff and Edinburgh, local authorities and businesses, may be overwhelmed by Brexit implementation after the transition period ends on 31 December 2020, not least because they will, at the same time, have to deal with the urgent demands of COVID-19. The government in London will also struggle to hold the UK together in view of growing support for independence in Scotland, and its threat to breach the terms of the Irish Protocol in the Withdrawal Agreement (WA).

DETAIL

According to a recent report by the (independent and politically neutral) Institute for Government, the reasons are as follows:

- The UK will not be ready to implement the Northern Ireland Protocol and intends, through its internal market legislation, to breach an international treaty obligation.
- Trade flows between the UK and the EU will be disrupted whether or not a minimalist trade agreement is agreed before the UK leaves the EU Single Market and Customs Union on 31 December. Many businesses are not ready to deal with the vast increase in bureaucracy that trading with the EU will require. This assessment has been confirmed by the National Audit Office in a report to the House of Commons on 6 November.
- The devolved administrations complain that powers repatriated from Brussels are being “grabbed” by the government in London, in breach of the (Sewel) Convention that Parliament in Westminster should not “normally” legislate in respect of matters such as agriculture and health that have been devolved to Cardiff and Edinburgh.
- On Coronavirus, the government’s response has been hampered by chaotic, announcement driven decision making, excessive reliance on scientific advice, and inadequate coordination and consultation with the devolved administrations.

Access. Engagement. Resolution.

Support for independence in Scotland has risen from 45% at the referendum in September 2014 to around 55% (58% according to one poll) now. On COVID 19, the situation in Scotland is not much better than in England and Wales, but the First Minister, Nicola Sturgeon, now has a higher approval rating, even in England, than Boris Johnson. In Scotland over 70% approve of her efforts to deal with COVID 19. The SNP is on course for victory in elections to the Parliament in Edinburgh in May 2021. Thereafter the Prime Minister will find it difficult to resist calls for a second referendum.

The Institute's recommendations are as follows:

- The EU should be “flexible” with regard to implementation of the Irish Protocol.
- The British government should drop the offending clauses in the Internal Market Bill.
- Central government should be honest about future impediments to trade. Brexit means more bureaucracy and red tape, not less.
- The government should work intensively with business to mitigate the adverse effects of Brexit. The Confederation of British Industry (CBI) is – albeit belatedly- stepping up the pressure on Ministers to conclude a trade deal without tariffs. (The EU's 10% tariff on vehicle exports would pose an “existential threat” to the automotive industry. In 2019, 51% of all passenger cars manufactured in the UK were exported to the EU.)
- The consent provisions in the Sewel Convention should be strengthened by agreement with the devolved administrations. Bills on devolved subjects should be the subject of consultation with them before being introduced in Westminster.
- On Coronavirus the government should devote more attention to consistent messaging, the medium and long term. As in the case of Brexit, there needs to be far better coordination and consultation with local authorities, business and the trade unions.

Negotiations on the future relationship continue, but, at the time of writing, are still stalled on fisheries, governance and dispute resolution, state aids and the “level playing field”. The negotiations do not cover services such as banking and insurance, the most important sector of the UK economy. Nor are arrangements in place to continue data exchange, vital to combating terrorism. The British government persists in believing that the EU will give ground at the 11th hour, hence the decision, not to extend the transition (a misnomer: standstill would be more accurate) period, notwithstanding the COVID 19 epidemic, which reached the UK shortly after the country left the EU on 31 January. All this is a far cry from Johnson's assertion immediately after the referendum that the UK would still have access to the Single Market and freedom of movement rights.

COMMENT

While the Prime Minister is an excellent and optimistic campaigner, Johnson lacks, not only gravitas, but also the powers of leadership, strategic thinking, and sound judgement, required of any successful Prime Minister. Just after he succeeded Theresa May as leader of the Conservative Party and Prime Minister in July 2019, he explained his economic policy as “boosterism”, putting rocket boosters under the British economy as a way of turbo charging it. Boosterism echoes

“cakeism”. Already in 2017 Johnson said that his policy with regard to the EU was pro having his cake, and pro eating it. Only pro Brexit candidates were allowed to stand as Conservatives at the general election in December 2019. Farage’s Brexit party candidates stood down in Conservative constituencies. Faced by a divided Labour opposition with an exceptionally unpopular leader (Corbyn), and a weak Liberal Party (the leader lost her seat), Johnson coasted, except in Scotland, to a majority of 80 under the winner takes all system used for elections to the Westminster parliament.

The Irish Protocol in the WA provides, in effect, that Northern Ireland remains in the Customs Union and Single Market to prevent reestablishment of a border between Northern Ireland and the Republic of Ireland. This means controls on trade between Northern Ireland and the rest of the UK, although Johnson had previously argued that no British Prime Minister could ever accept such an arrangement.

In 2014 the case against independence was based on the argument that Scotland and England were “better together”, as they have been since 1707. This argument had – and still has – substance. The EU referendum in 2016 was devised by Prime Minister Cameron to solve a dispute in the Conservative Party over EU membership that had divided the party since the UK’s humiliating exit from the Exchange Rate Mechanism (ERM, precursor of the Euro) in September 1992. Take back control of borders, laws and money was a slogan, and a mendacious one at that. The sub text was immigration. A government Minister insisted on TV that Turkey would join the EU. The narrow victory for leaving the EU in England and Wales owed much, both to insular and complacent Conservative voters, and erstwhile Labour supporters in “left behind” regions, mistakenly blaming their situation on the EU which threatened the UK, as Germany had done in two world wars.

56% of the electorate now think leaving the EU was a mistake and 61% think the government is handling the negotiations badly.

WHAT NEXT?

The Prime Minister predicted, optimistically, on 19 March that Coronavirus could be “sent packing” if the British public observed the belatedly introduced lockdown measures. It is now clear that a return to something approaching pre COVID life will not be possible in the UK, or indeed elsewhere in Europe, until the spring of 2021 at the earliest. The economic, social and health disruption of the pandemic will thus coincide with the disruption and damage to the economy caused by Brexit. It will not be possible to blame price rises, shortages, and transformation of Kent, the garden of England, into a lorry park, on the pandemic. But they may be blamed on the intransigent EU. The UK will not prosper mightily on “Australian” terms. On the other hand, claims that the city of London and the economy more widely will collapse, are surely overdone. There are likely to be continuing negotiations on the many subjects not covered by a minimalist free trade agreement to recover at least some of what has been lost by Brexit. Expanding the citizens’ rights provisions of the WA to allow UK citizens in the EU freedom of movement for employment would be a major step forward.

Neither the Prime Minister nor his cabinet appear to have the stamina, patience and powers of judgement needed for this work, or indeed for the constitutional challenges that are looming in Scotland and Ireland. The statement to the BBC on 6 November that the government will refuse to allow a second referendum on independence for a generation, defined as anything between 25 and 40 years, by Alistair Jack, Secretary of State (cabinet minister in London) for Scotland, is unlikely to improve Conservative prospects at the elections to the Scottish Parliament next year. The assumption that the Conservative Party will be in power for a generation is, to put it no higher, bizarre.

Since the referendum, the UK has become a diminished power on the world stage, having lost its EU leadership and transatlantic bridge roles. As David Cameron's National Security Adviser and former Permanent Under Secretary at the FCO, Peter (Lord) Ricketts has put it, proclaiming "Global Britain" does little to solve the question of Britain's world role. In the period ahead it will be clearer than ever that Global Britain is not a policy that can be implemented, but a slogan devoid of substance.

We should not indulge in too much Schadenfreude over Johnson's likely difficulties with Biden. The immediate litmus test will be how Johnson manages the Irish dimension of Brexit. Johnson has performed so many U-turns on this and other issues that it is hard to make a prediction. But, for all his faults, Johnson is not Trump. The British establishment will adapt to Biden. They have to.

This article was first published on 20 November 2020 by Austro-British-Society.

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