



Centre for Brexit Studies

Blog Post

NO DEAL BREXIT? WHAT, NO CHERRY CAKE? AT LAST, PROJECT REALITY NOT PROJECT FEAR?

Gill Bentley, Visiting Fellow at the Centre for Brexit Studies, Birmingham City University

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The publication by government of 24 documents on 23 August, on what to do if there's no Brexit deal [1] should read, this is what happens when the UK leaves the EU. It recognises at last that Brexit really does entail costs. A no deal Brexit is what Brexit really is; Brexit means leaving the European Union, lock, stock and barrel. And all the talk about a 'soft Brexit' is really diversionary, a pussy-footing about Brexit. 'Soft Brexit' should be referred to as 'Post Brexit Trade Deal Negotiations'. But, can the publication of the Guides be seen as a tactic to spur the 27 EU members on to agree a trade deal with the UK? I think not, when we recall what the Chequers proposals consist of. [2]

The UK wants its future relationship with the EU to entail adherence to a 'Common Rule book' regarding the non-tariff barriers to trade but which, in allowing the UK set its own trade policy (trade with countries that the EU already has a trade deal), includes the right for the UK to diverge where beneficial. Secondly, a 'Facilitated customs arrangement' in which UK would apply domestic tariffs and trade policies for EU goods coming to the UK, but which applies EU tariffs to exports to the EU. Thirdly, we want non-voting participation in some regulatory EU agencies, for which we will pay a charge.

The UK is heaping blame on the EU for not acceding to such proposals, not wanting to make a deal. But it is the UK that is in the wrong; the proposals cross EU red lines. Given the Chequers proposals also recognise that on leaving, 'passporting' for financial services and free movement of people will be at an end, so that the UK can have 'sovereignty over its borders', don't UK negotiators realise that the UK can't eat the cherry cake embodied in the Chequers proposals, without being a member of the EU. Barnier wants the UK to remain in the EU, or at least be aware of the consequences of leaving, so a no deal gives the message that if we want these terms of trade, we should stay. But to the Brexiteers, in rejecting the proposals, seeing them as the UK still being tied to the EU, say that we should leave. That is what they want in professing that all will be well after our departure.

But, on the other hand, after the publication of the Guidelines, with EU member states also preparing for the eventuality of no deal, we have dire warnings about the impact of Brexit... yes, full Brexit, postings on the *fear* of what might happen if there is no deal. Funding for EU collaborative research will no longer be available. The Home Affairs Select Committee has said that the immigration system will be chaotic. The Chancellor, Philip Hammond, has said that Treasury forecasts a £80bn hit to GDP. Kier Starmer warns that an "unsustainable legal vacuum" will be created because new laws cannot be passed fast enough to give legal entity to post Brexit arrangements.

[3] Helen Browning, CEO of the Soil Association, says that it will take at least 9 months to agree legislation covering the trade in organic foods; this will be devastating to the industry. [4] The Road

Haulage Association has again pointed out that there are limited permits for shipping goods; that customs controls will result in queues at ports and delays in crossing the channel that will impact, especially on the food and entertainment industries. Costs of shipping food will rise; high tariffs will apply, raising household bills. US and UK bands on European tours are on tight schedules; the show will simply not go on. [5] Project fear? This all seems more like project reality?

References

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2. Brexit: What does the government White Paper reveal? Chris Morris. *BBC News*. 12 July 2018 <https://www.bbc.co.uk/news/uk-44807561>
3. No-deal Brexit thrusts UK into 'legal vacuum', warns Keir Starmer. *Guardian* 26 August 2018
4. Helen Browning. Newsnight interview. <https://twitter.com/BBCNewsnight/status/1032748453745442816>
5. A no-deal Brexit will stop rock from rolling says RHA. 10th August 2018 <https://www.ukhaulier.co.uk/news/road-transport/brexit/a-no-deal-brexit-will-stop-rock-from-rolling-says-rha/>