Brexit: An unprecedented journey

Compendium of EPC analyses on the process and outcome of the negotiations on the United Kingdom’s withdrawal from the EU
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DISCLAIMER

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Two and a half years after the United Kingdom voted to leave the EU, the end of the Article 50 negotiations has been reached, pending ratification of the deal on both sides. On Sunday 25 November the EU27 leaders signed off the Withdrawal Agreement and the draft Political Declaration on the future EU-UK relationship. UK Prime Minister Theresa May now has to defend the deal at home, with a meaningful vote in the House of Commons scheduled for 11 December.

Regarding content, the Withdrawal Agreement offers few surprises. The most challenging sticking point was the Irish backstop. EU and UK negotiators resolved the issue by agreeing to effectively keep the entire United Kingdom – and not just Northern Ireland – in a customs union if no other solution to prevent a hard Irish border can be found by the end of the transition period. But, contrary to the wishes of many in the British debate, there will be no unilateral exit clause from the backstop for the UK. This compromise has angered Conservative Brexiteers, as well as the DUP, which, due to closer regulatory alignment, still sees a differentiation for Northern Ireland from the rest of the UK.

The Political Declaration – comprising a mere 26 pages compared to the withdrawal agreement’s 585 – is legally non-binding but highly symbolic for May. It intends to square the circle: keeping open the option of a close EU-UK relationship while recognising both sides’ red lines and core principles. It promises an “ambitious, broad, deep and flexible partnership” and goods trade “that is as close as possible” – but, notably, it does not use the term ‘frictionless’. Overall, the language is encouraging but does not commit either side to anything. It cannot conceal the hard choices that still need to be made.

The document also refers to an “independent trade policy” for the United Kingdom. This may reassure Brexiteers somewhat, as trade is the last remaining potential economic benefit from Brexit for the UK. However, any hopes of a ‘Brexit dividend’ thanks to more trade or better terms will soon be disappointed. Since the backstop effectively keeps the United Kingdom in the customs union, London could only agree trade deals that cover services – which few countries will be willing to do. In the end, the only realistic alternative to the backstop is likely to be a ‘Norway plus’ model involving single market and customs union membership – which requires that the United Kingdom has no independent trade policy and would mean the UK is still bound by EU rules, infuriating the Brexiteers further.

If Parliament votes against the deal on 11 December, as appears very possible, most likely Parliament will send May back to the EU Summit on 13/14 December to ask for further concessions. Such last minute requests will be refused flat out by the EU27, triggering political and economic chaos in the UK, which might be enough for some MPs to change their minds and support the deal in a second or third reading. If this is not the case and the House of Commons is unable to agree on an alternative, with neither a General Election nor a People’s Vote currently commanding a sufficient majority, the UK would move slowly but inexorably towards a catastrophic and chaotic no deal Brexit, by default, not design.

While Sunday was an important milestone in the Brexit negotiations, the process is thus far from over with real danger now looming in Westminster. But even if the deal is signed off, there are effectively no upsides for the UK. It is a loss of economic integration, and thus growth and jobs, as well as political power. The next phase in the negotiations will be even more difficult, given that this will be the worst trade deal in history with no benefits from increased trade but only costs from the disintegration of the existing common market.

The cliff edge looms again at the end of the transition period, creating intense pressure to find a deal, also to avoid the backstop. But time is too short to define a credible and workable long-term relationship. The extension of transition to potentially end 2022 is thus a game changer: while it is still not enough time to reach a deal, it will alter political calculations in the UK, with the end of transition only coming after the next General Election.
THE REFERENDUM

UK in-out referendum firmly on the agenda
Commentary – 8 May 2015
Fabian Zuleeg

After the UK General Election, Zuleeg concludes that “a UK referendum on EU membership is now almost certain”.

Brexit: A new beginning for the EU or the beginning of the end?
Commentary – 24 June 2016
Janis A. Emmanouilidis and Fabian Zuleeg

Emmanouilidis and Zuleeg argue that “this is a bad day for Europe” and that “what follows is a high degree of uncertainty.”

ARTICLE 50: DEAL OR NO DEAL?

No deal is the worst deal yet, Brexfast is still in the cards
Commentary – 29 March 2017
Fabian Zuleeg

Providing a preview of the Brexit negotiations, Zuleeg argues that “the cards are stacked against the UK in the Article 50 negotiations, and economic costs are going to increase the faster and deeper the UK moves to a hard Brexit. Domestic political developments might well magnify the difficulties, with a realistic chance of a chaotic Brexfast and a break-up of the United Kingdom. Brexfast is an example no one else in Europe will want to follow.”

Brussels, ease up on Theresa May
Op-ed in Politico – 12 April 2017
Fabian Zuleeg

Zuleeg calls on the EU to reduce the pressure on the UK prime minister without sacrificing its core principles to help her domestically and prevent a chaotic Brexfast.

Brexit: time for Plan B
Discussion Paper – 30 May 2017
Andrew Duff

In light of the “nationalistic rhetoric of the Tory campaign ahead of the 8 June general election”, Duff warns of the prospect of a no deal Brexfast and stresses the need for a Plan B: “Pragmatism should prevail on both sides and help avoid a fiasco. But it seems unlikely”.

Brexit: Sufficient unto the day
Discussion Paper – 3 October 2017
Andrew Duff

Taking stock after Theresa May’s Florence speech, Duff argues that talks on the transition period should start as soon as possible.

Brexit: Stumbling over the backstop?
Commentary – 6 June 2018
Fabian Zuleeg

The backstop for the Irish border has emerged as the biggest hurdle on the way to the Article 50 deal. Zuleeg stresses the importance of allowing for an extension of the transition period to reduce the likelihood that the backstop will be needed.

Brexit: Last call
Discussion Paper – 4 July 2018
Andrew Duff

After the European Council summit in June, Duff assesses the progress made in the Brexit negotiations so far. He stresses that the UK needs to provide greater clarity about its desired long-term relationship with the EU and that the upcoming White Paper is its last chance to rescue Brexfast.

Brexit: Time to compromise
Discussion Paper – 31 October 2018
Andrew Duff

Following the European Council summit in October, Duff outlines the state of play of the Brexit negotiations and the prospects for the withdrawal agreement and the political declaration.

THE TRANSITION PERIOD

Brexit: How to manage the talks and the transition
Discussion Paper – 27 March 2017
Andrew Duff

Duff offers some tips to Brexit negotiators to ensure Brexfast happens in a legal, orderly and democratic way and is not made more difficult than it has to be by one or both sides.
Brexit Roundup: Over the transition hurdle
Commentary – 16 April 2018
(published by the Scottish Centre on European Relations)
Fabian Zuleeg

Zuleeg takes stock of the progress made on the transition period but warns that it would merely delay tough choices. "Whether it is now or by the end of 2020, the basic dilemma is unresolved: choosing between economic harm and crossing the Brexeters' red lines."

UK business should play for extra time in the Brexit negotiations
Commentary – 25 July 2018
Fabian Zuleeg

Zuleeg argues that "businesses need to realise they can still influence the trajectory of the Brexit process" by expressing "their preferences on the future economic relationship," relentlessly [demonstrating] the enormous costs of no deal and pushing for an extended transition period behind the scenes.

Extending the transition period
Discussion Paper – 28 September 2018
Tobias Lock and Fabian Zuleeg

Lock and Zuleeg argue that a transition period of 21 months will not give the UK and the EU enough time to determine their future relationship: "A second cliff edge is looming at the end of the transition period, and action must be taken now to avoid it." They call for an explicit clause allowing for including the extension of the transition period in the withdrawal agreement.

Brexit: Towards a deep and comprehensive partnership?
Discussion Paper – 5 December 2017
Fabian Zuleeg

Zuleeg explores different options for the long-term EU-UK relationship and recommends that the EU should start preparing blueprints of the various options, including the Canada and Norway models. He warns that the political turmoil in the UK could lead to the country crashing out of the EU: "a chaotic Brexit by accident, rather than design."

Brexit: Half in, half out or right out?
Discussion Paper – 6 March 2018
Andrew Duff

Duff reflects on the prospects for the future EU-UK relationship and calls for a dynamic, comprehensive association agreement.

Brexit: Beyond the transition
Discussion Paper – 21 August 2018
Andrew Duff

Following the publication of Theresa May's Chequers plan, Duff explores how the EU-UK long-term relationship may look like and how to manage it. He points out that "it looks as though the UK will have to remain in the customs union, entirely in line with the EU customs code, for several years to come."

The road to nowhere? Prospects for a post-Brexit trade deal
Policy Brief – 18 September 2018
Fabian Zuleeg

Zuleeg discusses the prospects for a post-Brexit EU-UK trade deal. He argues that upcoming trade negotiations will be even harder than the talks leading to the withdrawal agreement. He also explains that the trade deal will be "inferior to any other: no gains from further opening of markets but costs of disintegrating the existing relationship."

BREXIT AND UK DOMESTIC POLITICS

The UK’s general election: Mandate for a softer Brexit or preparation for going over the cliff edge?
Commentary – 18 April 2017
Fabian Zuleeg

Zuleeg sets the scene seven weeks before the snap general election, which was widely expected to deliver a resounding victory for the Conservative Party.

Uncertainty in the UK
Commentary – 9 June 2017
Fabian Zuleeg

Zuleeg analyses the outcome of the general election and its implications for the Brexit process. It argues that May will come under pressure to agree an Article 50 deal to avoid a cliff edge at that stage, but that this will be hard to sell to Brexiteers in her own party.
**What now? Options for Brexit – and a cry for help**  
*Discussion Paper – 15 June 2017*  
Andrew Duff

In light of the general election outcome, Duff outlines what he believes needs to be done to ensure successful Brexit negotiations. Among other things, he argues that “the better choice for Britain would be to initially remain a member of the EU customs union until a new and deeper relationship can be negotiated.”

**Brexit: When the music has to stop**  
*Discussion Paper – 9 October 2018*  
Andrew Duff

Duff assesses the domestic political situation in Britain after the Brexit-dominated party political conferences, concluding that all parties are deeply divided and that “viewed from Brussels, the playing field across the Channel looks distinctly bumpy”.

**THE VIEW FROM THE CONSTITUENT COUNTRIES**

**Scotland and the European Union**  
*Policy Brief – 14 July 2016*  
Graham Avery

Avery discusses how the question of Scottish independence relates to the UK’s withdrawal from the EU. He analyses what has changed since the electorate voted against independence in 2014 and what Scotland’s chances are of remaining in the EU.

**Ulster says 'Remain': Brexit and the Northern Irish election result**  
*Commentary – 10 March 2017*  
Frank McNamara

McNamara analyses the consequences of the Northern Irish election result, arguing that “Brexit has now become the unlikely engine for the breakdown of one union which was seemingly set in stone (the UK) and the unity of another which until very recently seemed like being only a remote possibility (Irish reunification).”

**Northern Ireland and Brexit: the European Economic Area option**  
*Discussion Paper – 7 April 2017*  
Brian Doherty et al.

Doherty et al. point out the unique challenges Brexit poses to Northern Ireland and argue that the impact could be mitigated if Northern Ireland became a member of the European Economic Area: “With the EEA there would be clarity; the economic uncertainty surrounding Brexit would, therefore, be reduced.”

**THE VIEW FROM THE EU**

**The UK has slammed the door, so let’s start divorce proceedings**  
Fabian Zuleeg

Decision-makers in the EU27 are waiting impatiently for the UK to trigger Article 50 and articulate a clear position. However, Zuleeg argues that the EU is facing long-term uncertainty on Brexit: “the UK will want to have the single market cake and eat it: full access but without any of the obligations. And that is not acceptable to the EU.”

**How Europe sees Brexit**  
*Discussion Paper – 24 January 2017*  
Andrew Duff

Theresa May’s Lancaster House speech made clear to the EU27 that Brexit truly means Brexit. Duff points out that while the EU is well-prepared for the technical aspects of the process, it still needs to make critical strategic decisions and reflect deeply about whether Brexit is to leave it weaker or, conversely, stronger.

**Reality bites: The Brexit negotiations seen from the other side of the Channel**  
*Commentary – 24 July 2017*  
Fabian Zuleeg

Zuleeg argues that the perspective of the EU27 is often missing in discussions around Brexit and that “the assumption that [they] are willing to accept any deal to avoid Brexit is misguided.”

**Brexit: Debunking the myths about the EU position**  
*Commentary – 24 August 2018*  
(published by the Scottish Centre on European Relations)  
Fabian Zuleeg

Zuleeg debunks ten common misconceptions about the EU’s position in the Brexit negotiations.
EXIT FROM BREXIT?

**Brexit: What if Britain changes its mind?**  
*Discussion Paper – 18 January 2018*  
Andrew Duff

Duff explores the new terms and conditions that would be likely to apply to the UK’s renewed membership, including an end to the UK’s budget rebate and participation in defence cooperation.

**Last chance for an exit from Brexit?**  
*Policy Brief – 29 March 2018*  
Fabian Zuleeg

Zuleeg discusses the prospects of an exit from Brexit, concluding that “there is only a very slim chance of reversal.”

**Welcoming back the prodigal son?**  
*Commentary – 17 October 2018*  
Fabian Zuleeg

Zuleeg argues that “the EU will not bend over backwards to accommodate the UK” if the country changed its mind about Brexit, as this “would erode the foundations on which the EU is built and goes against the collective political interest of the EU27 – and no EU member state is willing to do that.”
The **European Policy Centre** is an independent, not-for-profit think tank dedicated to fostering European integration through analysis and debate, supporting and challenging European decision-makers at all levels to make informed decisions based on sound evidence and analysis, and providing a platform for engaging partners, stakeholders and citizens in EU policymaking and in the debate about the future of Europe.

The **BrexitForum@EPC** looks at the implications and potential consequences for those who will find themselves outside the Single Market but seek ways to influence its direction in the future as well. EPC analysts and other experts are providing insights and expertise with a view to helping them prepare for the post-Brexit era. Findings from discussions and related publications will provide participants with a better understanding of the UK’s future relationship with the EU.