

## QUESTIONS AND ANSWERS ON THE UK'S AND LABOUR'S CURRENT BREXIT POLICY OPTIONS

### 1. **Where are we now?**

Labour has been in a very difficult position on Brexit. The policy pursued for understandable reasons by the leadership – keeping the option of a second referendum open without committing to it wholeheartedly – has clearly not worked. Voters who are in favour of Remain notwithstanding the 2016 EU referendum result have defected to the Lib Dems while many of our erstwhile supporters who voted Leave have now gone over to the Brexit Party. The result has been that Labour's electoral appeal has slipped to a point where Electoral Calculus predictions – based on YouGov polling early in July 2019 – showed Labour potentially losing 113 seats - 81 to the Brexit Party, 11 to the Lib Dems, 15 to the Conservatives and 6 to the SNP. What can we do to stop this happening?

### 2. **Are the prospects really this bad?**

The support for each party in the whole of the UK on which these calculations were based were 24% for the Conservatives, 23% for the Brexit Party, 20% for the Lib Dems, 18% for Labour and 9% for the Greens. In Scotland, there was 38% support for the SNP, 18% for the Conservatives, 17% for Labour, 13% for the Lib Dems, only 9% for the Brexit Party and 2% for the Greens. Electoral results based on polling figures like these of course depend very much on circumstances not changing and there may be some ways in which events could help Labour by the time of the next general election - although there be counteracting factors. The strong showing in the current polls by the Brexit Party depends heavily on Brexit not having taken

place and thus continuing to be a highly contentious salient issue. This may well change this autumn, if Brexit then happens, leaving the Brexit Party without its main reason for existence. Judging by what happened to UKIP after the 2016 EU referendum, its support would then be likely to drop very sharply. The problem then for Labour, however, is where these ex-Brexit Party votes are likely to go. If by the time of the next general election Labour has become more and more strongly wedded to a second referendum and Remain strategy, it seems very probable that the Conservatives may be the main beneficiaries of a steep decline in the Brexit Party vote.

### 3. **What about the Lib Dems?**

A lot will also depend on what happens to support for the Lib Dems. If by the time the next general election takes place, the UK has left the EU, the Lib Dem's appeal as the party which wants to keep the UK in the EU may also be substantially weakened. It therefore seems likely in these circumstances that their vote will drop back, probably significantly. Some of their support may revert back to Labour, but probably not by any means all of it. If these suppositions are correct, it seems likely that, if we are by then out of the EU, a general election, perhaps in the spring of 2020, will be an attractive prospect for the Conservative Party. At the moment, they have a majority of only about three (depending on what happens in the current by-election in Wales) and there must be a major temptation to try to increase this to more manageable proportions on the back of the bounce in popularity from which they may benefit if they succeed in getting Brexit through during the autumn of 2019.

### 4. **What has Labour currently decided to do?**

The most recent move by Labour has been to shift more closely to Remain. The Party has agreed to campaign for any deal being struck this autumn, or at any other time in the future by the current Conservative government, being the subject of a second referendum with Remain – for which the Party would campaign - being an option on the ballot paper. This change in policy is very likely to be endorsed by Annual Conference in September. It is not, however, supported with any enthusiasm by a sizeable minority – perhaps 40 or 50 - of Parliamentary Labour Party members who are deeply concerned by the likely electoral consequences in the Leave voting areas they represent. A policy switch of this kind would clearly antagonise large numbers of Leave leaning traditional Labour voters especially in Wales, the Midlands and the North where Labour has a significant number of marginal seats. A

second referendum would also suffer from a host of other disadvantages. Labour, campaigned in its manifesto for the 2017 general election to implement Brexit, and is therefore bound to be accused of going back on its promises if it campaigns now to do the opposite. Advocating a second referendum is not a realistic policy because there is no majority – nor ever likely to be – in Parliament in favour of holding one. Even if this changed, it would take anything between six to twelve months to organise another referendum, leaving the country in limbo during this period which would be expensive and highly divisive. Furthermore, if another referendum was held, it is far from certain that it would produce the result which its proponents hope it would. It might well produce the same outcome as the one in 2016.

5. **What about the approach to No Deal?**

In the meantime it seems likely that Labour in Parliament will continue to support moves to frustrate No Deal. The problem with this approach is that the willingness and determination of whoever becomes the next Prime Minister – now virtually certain to be Boris Johnson – to fall back on No Deal, if it is impossible to get the EU to move, is now more and more widely seen as the tactic most likely to get some movement to take place. All the parties to the Brexit negotiations during the run-up to 31st October 2019 – the new Prime Minister and most of his party and the new people in control of the EU commission – have a large amount to gain from coming to an agreement to allow Brexit to take place on mutually acceptable terms, if the alternative is No Deal. But if No Deal is taken off the table by the UK, no such incentive to come to an agreement would exist. The EU negotiators would have every inducement just to wait until the UK caves in and agrees the existing Withdrawal Agreement, because there will then be no practical alternative to doing so.

6. **What is likely to happen about the Brexit timetable?**

In fact, what seems likely to happen during the autumn is that we will move towards a cliff-hanging period of negotiations running up to the end of October 2019, finishing with a deal being done at the last minute. At best, it will entail the UK and the EU continuing to trade on duty-free terms with each other. There will have to be some compromise on the Irish backstop, probably in the form of a time limit. There may be some movement on the £39bn, made easier by the current delay during which some of the sum claimed is being paid down, and on the role of the European Court of Justice. An outcome along these lines would be widely welcomed, and it will not help Labour if it is perceived as having obstructed the UK's capacity to get there at

every turn. This is why keeping No Deal on the table - not as the desired final destination but as a lever to get the EU to move to the extent needed to get a deal through the UK Parliament - is now widely recognised to be the best tactic.

## 7. **What will be the consequences of No Deal**

There is, however, inevitably a risk that this strategy will not work and that the UK will leave the UK at the end of October 2019 with no comprehensive deal in place. This may happen either as a result of a genuine inability to agree a deal or as a result of the negotiations running out of time so that there is No Deal by default. Because there is so much common interest on both sides in getting a deal in place, No Deal seems nevertheless, on balance, unlikely to be the outcome. Even if it is, however, it will very probably not be anything like as calamitous as some people have claimed. Instead, it seems very likely that large numbers of mini-deals would be implemented to keep traffic flowing across borders, to keep planes flying, to ensure that crucial supplies of everything from car parts to medicines are delivered, and to keep life going much as before. Surely there will be some disruption and some hard cases, particularly in agriculture, where some compensation from the large gross savings to be made elsewhere will need to be paid. It may be that economic output will dip down a bit – although on past performance it is by no means certain that even this this will happen – but, if it does, the impact will probably not be that great. There are risks but this is why being prepared to take a chance that No Deal materialises, to help to secure a much better and more even-handed overall deal, makes sense.

## 8 **Will there be a general election?**

Understandably, Labour has to call for a general election whether or not the circumstances look most favourable for us. There might be one this autumn if there is a successful call for a vote of no-confidence. This, however, does not seem very likely. It seems more probable that there will be one next spring either as the Conservatives take advantage of clearing the Brexit hurdle over the next few months - or because they fail to do so, leaving no alternative but to go back to the country. Either eventuality looks like dangerous territory for Labour. Careful judgements need to be made about how best to navigate through some stormy seas.