

## "BUMPS IN THE ROAD"

Boris Johnson's halfhearted attempt to suspend Parliament looks set to backfire. It may well make delivering Brexit even harder.

### IN A NUTSHELL

- \_ It is becoming increasingly clear that six weeks into the job, Johnson still does not have a clear and coherent strategy for delivering Brexit .
- \_ By suspending Parliament, Johnson is telegraphing his tenuous grip on power. That will make it harder, not easier, to secure EU concessions.
- \_ Any Johnson deal would probably require a technical extension of the Brexit date beyond October 31.

After weeks of speculation, the UK's relatively new Prime Minister Boris Johnson has decided to suspend Parliament for up to five weeks – or "prorogue" Parliament as British legal parlance puts it. That certainly looks like a radical step; particularly given that Parliament has barely been sitting since Johnson became Prime Minister and will only return from summer recess next week. From an investment perspective, though, there is rather less to the measure than scary newspaper headlines suggest.

First, that is because Johnson has stopped well short of some of the most radical options mooted in recent months, such as preventing Parliament from sitting altogether until Brexit would supposedly take place on October 31.<sup>1</sup> Members of Parliament (MPs) would probably stop sitting around September 9 and return on October 14. But the Commons would normally depart for various party conferences anyway at this time of the year. The actual cut in the number of days Parliament can sit would probably only be five or six, under the Johnson plan.

Second, the plan is already being challenged in various courts.<sup>2</sup> The new schedule is clearly designed to hinder attempts by MPs of blocking a disorderly, "No-Deal Brexit." If the courts rule against the government in at least granting injunctions while the matter is pending, Johnson could well end up in a situation where MPs sit precisely on those precious few days he just tried to take away.

Third, Johnson may have badly misjudged the mood in the broader electorate. Given how firmly the sovereignty of Parliament is enshrined in British law and tradition, it is hard to think of a more sure-fire way to unite the opposition. Within 24 hours of the Johnson announcement, a petition to Parliament not to prorogue Parliament has gained more than a million signatures.<sup>3</sup> For comparison, a parliamentary petition to "Leave the European Union (EU) without a deal in March 2019" earlier this year had just over 600,000 signatures.<sup>4</sup> Another to "Revoke Article 50 and remain in the EU" gained more than six million. Wavering MPs will no doubt be keeping a watchful eye on the mood in their own constituencies, as measured by the number of signatures to the various petitions compared to their own majority at the last general election.

Fourth, Johnson has clearly misjudged the mood in his own party. Thursday saw the resignation of George Young as government whip in the House of Lords and Ruth Davidson as leader of the Scottish Conservatives. After the last general election, the Tories would have gotten nowhere near a majority in Westminster without the 12 seats gained in Scotland. Those gains were largely due to Ruth Davidson. Meanwhile, Lord Young is a veteran Tory politician, well liked and respected in both Houses, and not one of the usual europhile suspects. For him, the timing and length of the prorogation appears to have been a matter of principle. Lord Young probably speaks for many others, when talking about

<sup>1</sup>Partly, that may reflect skilful parliamentary and legal manoeuvres by Johnson's opponents in recent months, rather than any deliberate decision on his part.

<sup>2</sup>The House of Commons Library recently produced a helpful briefing on the matter. See: <https://researchbriefings.files.parliament.uk/documents/CBP-8589/CBP-8589.pdf>

<sup>3</sup><https://petitionmap.unboxedconsulting.com/?petition=269157>

<sup>4</sup><https://petition.parliament.uk/petitions/229963>

the "risks of undermining the fundamental role of Parliament at a critical time in our history."<sup>5</sup>

Fifth, it is becoming increasingly clear that six weeks into the job, Johnson still does not actually have a clear and coherent strategy for delivering Brexit. Instead, he and his team seem to have decided on two mutually inconsistent goals. One is to deliver Brexit, "do or die," by October 31, in order to woo voters leaning towards Nigel Farage's recently launched Brexit Party. The other is to renegotiate the Withdrawal Agreement and get Brexit done in an orderly fashion. By suspending Parliament for up to five weeks, Johnson may effectively be ensuring that he will fail to deliver on one of those goals – perhaps even both. The prorogation schedule appears designed to give MPs just enough time to vote on any new version of the withdrawal agreement after October 14, but not enough time to cause mischief. That is probably too clever by half. Passing the necessary legislation to accompany an orderly Brexit would probably be impossible in two weeks.<sup>6</sup> And any revised deal would need to be passed by the UK's European partners as well. This would probably require a technical extension of the Brexit date beyond October 31.

Sixth and most importantly, team Johnson appears to have grossly misjudged the mood in most EU capitals. European policymakers appear as fed up as British voters with the whole Brexit drama. If "No Deal" happens, few voters or businesses on the continent appear inclined to blame EU decision makers. Rather, a disorderly "No-Deal" Brexit is increasingly seen as a self-inflicted wound, no matter what the EU does. The focus in Brussels and elsewhere appears firmly on minimizing the collateral damage. Hence the EU's insistence on the "Irish Backstop" which the EU sees as its insurance to prevent border fences on the island of Ireland while defending the integrity of the single market. Skillful British diplomacy over the past months might have secured some movement. But given the experience of the past three years, the EU 27<sup>7</sup> understandably fear that whatever they negotiate with the British government might be voted down in the House of Commons. By suspending Parliament, Johnson is telegraphing his tenuous grip on power. We believe that will make it harder, not easier, to secure concessions – which, in any case, would probably be limited.

## OUR UPDATED BREXIT SCENARIO:

To sum up, we doubt the probability of a disorderly "No-Deal" Brexit has materially gone up. We currently see it at 20%. By ruthlessly running roughshod over established constitutional conventions, Johnson may inadvertently end up helping his opponents. What angry MPs now lack in time, they may well more than make up in terms of motivation to swiftly find a shared purpose.

By contrast, we acknowledge that our 25% probability of an orderly but "Hard Brexit" is getting more difficult to defend by the day. In terms we have been using since 2016, a "Hard Brexit" would consist of a Johnson version of the withdrawal agreement getting passed by the Commons, with the UK largely outside EU jurisdiction. It would probably be accompanied by a technical extension to implement any such deal. Given how fluid the situation in Westminster is, we have not given up on a "Soft Brexit", a customs union or membership in the European Economic Area along the lines of Norway's relationship with the EU. That would be the sort of Brexit Johnson and Farage actually campaigned for during the 2016 referendum.

Finally, Boris Johnson and his spin doctor Dominic Cummings seem so focused on winning the daily news cycle that they appear to be ignoring the pitfalls they are unwittingly creating for themselves in the weeks and months to come. That does not look like a recipe for delivering Brexit of any sort, let alone electoral success. It may, however, well lead to the UK remaining a member of the EU – a scenario to which we currently assign a probability of 40%. Events of the past few days have, if anything, made continuing membership even more likely.

Back in 1867, Frederic Thesiger, 1st Baron Chelmsford and Lord Chancellor at the time, described prorogation as "an idle ceremony, and one which sometimes produced inconvenience." The Johnson plan will almost certainly produce plenty of inconvenience – mostly, it increasingly appears, to his own government. To be fair, he and his team have long acknowledged there might be "bumps in the road," heading towards October 31. What is becoming increasingly doubtful is whether that road actually leads to a Brexit of any sort by that date.

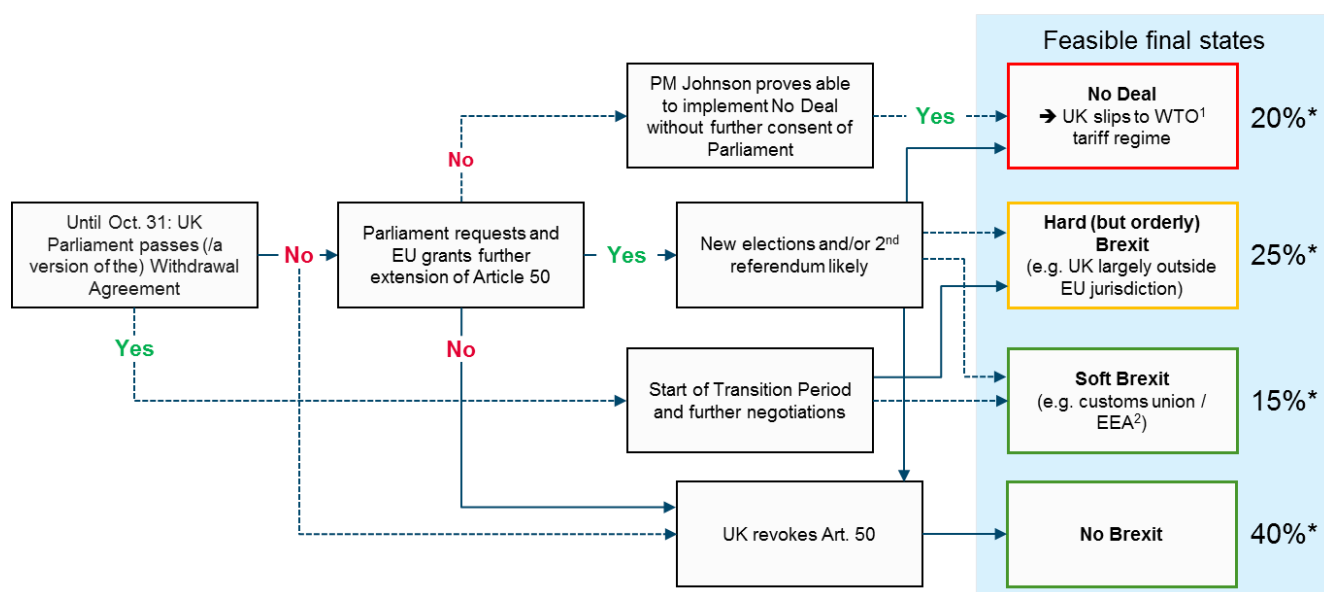
<sup>5</sup><https://www.politicshome.com/news/uk/political-parties/conservative-party/boris-johnson/news/106155/blow-boris-johnson-tory>

<sup>6</sup><https://www.instituteforgovernment.org.uk/publications/parliament-role-before-31-october-brexit>

<sup>7</sup>The "EU 27" include all member states of the European Union except for the UK

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\* Reflects our assessment of the likelihood of each scenario.

<sup>1</sup>World Trade Organization

<sup>2</sup>European Economic Area

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## GLOSSARY

### Article 50 of the Lisbon Treaty

**Article 50 of the Lisbon Treaty** governs the withdrawal of a member state from the European Union.

### Brexit

**Brexit** is a combination of the words "Britain" and "Exit" and describes the exit of the United Kingdom of the European Union.

### Conservative Party (Tory)

The **Conservative Party**, also referred to as "Tories", is a center-right political party in the United Kingdom.

### European Economic Area (EEA)

The **European Economic Area (EEA)**, established in 1992, extends the European Union's single market to specific non-EU member countries.

### European Union (EU)

The **European Union (EU)** is a political and economic union of 28 member states located primarily in Europe.

### House of Commons

The House of Commons is the lower chamber of the United Kingdom's parliament.

### House of Lords

The **House of Lords** is the upper house of the Parliament of the United Kingdom.

### World Trade Organization (WTO)

The **World Trade Organization (WTO)** is an international organization based in Switzerland, which regulates commerce between nations through mutually agreed rules.

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