



Which Brexit Will May Choose?

Save the United Kingdom or the Tories

Matthias Matthijs

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The United Kingdom's new prime minister is off to a dazzling start. The shrewd and unpretentious [Theresa May](#), who since 2010 had served as home secretary in David Cameron's government, has found herself thrust into the spotlight after the turmoil that followed the Brexit bombshell. She quickly emerged as the last Tory standing for her party's leadership after Cameron's abrupt resignation. As the Conservative Party was about to descend into internecine strife—fleshing out the wildest dreams of the screenwriters of both *House of Cards* and *Game of Thrones*—May was hailed as a “[safe pair of hands](#)” who could unite her party and her country. A low-key Remain campaigner herself, she beat her Leave rivals, who either backstabbed one another or self-destructed within days, with remarkable ease by simply promising that “[Brexit means Brexit](#).”

The woman who warned back in 2002 that voters saw the Tories as “[the nasty party](#)” showed off both her political acumen and a ruthless streak as she briskly moved to appoint her new cabinet. On the domestic front, by appointing her trusted friend and fellow Remain campaigner Philip Hammond to the Treasury, she signaled a shift in economic policy away from her predecessor's harsh austerity policies in order to deal with the post-Brexit [chilling effect](#). Known as [spreadsheet Phil](#) in his party, Hammond (together with Mark Carney at the Bank of England) is expected to bring a semblance of order to the British economy to stave off recession, even though this will go against his instincts as a fiscal hawk. Also, by promoting her other Remain allies Amber Rudd to Home Secretary, Liz Truss to Justice Secretary, and Justine Greening to Education Secretary, May has situated her domestic policy firmly in the center of British politics, which had been vacated by Jeremy Corbyn's [shambolic Labour Party](#). With Cameron out of the picture, and after unceremoniously sacking his sidekick Chancellor George Osborne and Brexit frenemy Michael Gove, May also put paid to the Tories' so-called [chumocracy](#). In one masterstroke, she ended the cliquey Whitehall reign of the posh boys hailing from London's [Notting Hill set](#).

On the international front, May cunningly filled the main cabinet jobs dealing with foreign affairs and implementing the United Kingdom's actual exit from the EU with committed Leave campaigners. By putting [Boris Johnson](#) at the Foreign Office, making [David Davis](#) the new Secretary for Leaving the EU, and installing [Liam Fox](#) as the new Secretary for International Trade, May is putting the burden of delivering on their often wildly unrealistic promises squarely on the Leavers. She even promoted her leadership rival and

darling of the Leave campaign, Andrea Leadsom, to Environment Secretary, in charge of untying the unruly post-EU labyrinth of farm subsidies and fish quotas. However, vowing not to hold new elections, ruling out a second referendum, and with a promise to invoke [Article 50](#) to leave the European Union by the turn of the year, May has also made it clear that she respects the democratic outcome of the referendum on June 23. In other words, the United Kingdom has reached a [point of no return](#) and, just like her Tory predecessor Margaret Thatcher, this lady is [not for turning](#).

After her [visit to the Queen at Buckingham Palace](#), May first spoke as Prime Minister on the steps of 10 Downing Street. Just like Thatcher, who famously quoted [St. Francis of Assisi](#) on entering the building on May 4, 1979, she offered to bring harmony where there was discord and hope where there was despair. [The new prime minister promised](#) to fight the country's "burning injustice" and declared herself on "a mission to make Britain a country that works for everyone," rather than just the privileged few. However, she faces an impossible tripartite task: to deliver on Brexit while at the same time keeping her party together and her country united. Realistically, she will have to choose two out of the three.

BREXIT-LITE OR BREXIT-HEAVY?

Although many Anglo-Saxon [policymakers](#), [academics](#), and [observers](#) are still in denial about the outcome of the Brexit referendum, and insist that a departure from the EU will never actually come to pass, the new May cabinet is creating facts on the ground that will make it almost impossible to renege on its promises. But whether the government opts for a Brexit-Lite, which would maintain much of the status quo, or a Brexit-Heavy, which would fundamentally alter the UK's economic and political relationship with the EU, there are serious problems.

One of May's first acts as prime minister was to set up a new and high profile Brexit Ministry to prepare the country's negotiating position and go through the motions of the Article 50 process with Brussels. She created a new ministry of international trade (a portfolio that was exclusively in EU hands after 1973), which is tasked with exploring and creating new commercial partnerships beyond Europe. And she chose the boorish and controversial Johnson as foreign secretary. For its part, the EU is now planning meetings with 27 member states, rather than 28, and has begun the process of mapping out its own future without the United Kingdom. In a sign of things to come, [British scientists are already being dropped from EU research projects](#) given post-Brexit funding fears. Deutsche Börse decided that the City of London could [no longer be the sole headquarters](#) of its merged operations with the London Stock Exchange. And British Members of the European Parliament (MEPs) and Commission officials [will be gradually sidelined](#) from influential positions, as the EU show in Brussels and Strasbourg must go on.

But nobody really knows what Brexit will actually look like. The British goldilocks solution—full single market access without having to pay into the EU budget and complete sovereign control over its own borders—is the stuff of Tory dreams. It simply will not happen since Europe, starting with German Chancellor Angela Merkel, will not allow it. The EU's four freedoms – the freedom of movement of goods, services, capital, and labor – are

non-negotiable. Far from a fleeting policy preference, those freedoms have been protected by fundamental EU Treaty Law since the mid-1950s. Any compromise on this basic principle would signify the unraveling of European solidarity. Boris Johnson's official policy towards cake, i.e. [pro having it and pro eating it](#), is therefore a non-starter with Brussels.

This leaves May's government with two broad Brexit scenarios. It can either choose full access to the common market through membership in the European Economic Area ("Brexit-Lite," or the Norway scenario) or it can leave the common market, and try to negotiate a close economic partnership that maintains free trade in goods and free flows of capital, but significantly restricts trade in services and the movement of labor ("Brexit-Heavy," or the Canada scenario).

All the signs so far show the May government is leaning towards a "Brexit-Heavy" scenario. In one of his first statements as Chancellor of the Exchequer, Hammond confirmed that Brexit signifies that the [United Kingdom will leave the single market](#). And new Brexit Secretary David Davis set out his Brexit vision in [a long opinion piece on the homepage of the Conservative Party](#). Davis hopes to extract significant concessions from Brussels on migration in return for maximum access to the single market from outside of it, and showed his willingness to leave the EU without a deal in the case that Brussels does not budge. Incredibly, Davis thinks that the United Kingdom can complete all kinds of bilateral trade agreements in 12 to 24 months with economic powerhouses including China, India, and the United States, thereby creating the largest single market in the world before the end of the Article 50 proceedings with Brussels.

Davis believes that his strategy would make his country the more powerful player in a British-EU negotiating dance, and that the EU would then have to cave. This is complete fantasy. Leaving aside the small practicality that the United Kingdom currently [lacks any capacity in negotiating trade deals](#), the fact that it [would first have to join the WTO](#)—a process that could take four to five years—before it could conclude any bilateral deal of its own leaves the Davis strategy dead on arrival. It also assumes that the United Kingdom, a medium-sized economy with roughly 60 million consumers, could negotiate trade deals as an equal with economies that are significantly larger in size.

KEEPING THE UNION TOGETHER AND AVOIDING A TORY CIVIL WAR

Given the important role immigration played during the referendum, May will be keen to show that her government can deliver on the issue, while at the same time keeping her party and her country united. Since she failed to keep down the flows of migrants from outside the EU during her tenure as Home Secretary (there was nothing she could do about immigration from inside the EU), she is aware that a Brexit-Lite is no solution, as it does nothing to address many voters' concerns with immigration. The recession that will follow the shaky post-Brexit investment climate will already go a long way toward stemming immigration in the short term as unemployment ticks up. However, many EU citizens may take advantage of the gradually closing migration window and the weakening pound to accelerate their move to the country in the next two years.

The next two years are therefore unlikely to dispel the fears of migration held by many Leave voters. Even though a small majority of Tory members of parliament was against Brexit, a large majority of the Conservative Party's constituents does not want the United Kingdom to leave the EU to then re-join it through the backdoor of the European Economic Area. How unrealistic a favorable Brexit-Heavy scenario may be, which takes back control of the country's migration and border policy, it is the only way May will be able to keep her raucous party together. During the negotiations with Brussels, Tory Brexiteers as well as United Kingdom Independence Party (UKIP) supporters will be quick to cry foul on any concessions on the free movement of labor with the EU.

The new prime minister may therefore only be able to keep her party together by being willing to lose the United Kingdom. By supporting her party's Leave faction's preference for stricter migration policies, she is bound to alienate the rest of the kingdom, especially Scotland and Northern Ireland.

As the Scots, and first minister Nicola Sturgeon of the Scottish National Party (SNP), never fail to remind the Tories, Scotland voted with 62 percent to remain in the European Union. Any deal that fundamentally alters the United Kingdom's relationship with the EU—as restrictions on freedom of movement and curbs on trade in services would imply—will trigger a new referendum on Scottish independence. And unlike in September 2014, the outcome is almost certainly going to be a resounding [“yes” to Scottish independence](#). Edinburgh would then have to apply for EU membership from scratch, and could be met by a long drawn out veto from Madrid, as the Spanish government would be terrified about Catalonia following suit.

Furthermore, Northern Ireland—where 56 percent of the electorate also voted to remain in the EU—will never give up its open border with Ireland if it is to remain faithful to the terms of the fragile 1998 Good Friday peace agreement. Calls for a border poll on a united Ireland by Sinn Féin would grow louder and signal a return to violent tensions between Catholics, who want to reunite with Ireland, and Protestants, who want to remain in the United Kingdom, in Belfast and beyond.

During her first speech in Downing Street, May was eager to emphasize that she would govern as the leader of the [“Conservative and Unionist Party”](#) and that the word “unionist” was very important to her. She even waxed lyrical about the “precious, precious bond” between the citizens of England, Scotland, Wales, and Northern Ireland. But there is no way of getting around the fact that the June 23 referendum opened a wide chasm between the United Kingdom's four nations.

Even though Wales also voted to leave the EU, the decision to break with Brussels was first and foremost an English one, especially if one excludes the cosmopolitan voters of the greater London area who passionately wanted to Remain. The relatively prosperous Home Counties in the English South, South East, and Midlands that enthusiastically supported Brexit correspond to the Tories' heartland, whereas the struggling constituencies in the North of England have seen their traditional working class voter base swap Labour for UKIP in increasing numbers. Many of them now want English Votes for English Laws

(EVEL) at Westminster, after substantial powers have already been devolved to Scotland, Wales, and Northern Ireland respectively.

The perverse result of a break-up of the union could be a quasi-permanent parliamentary majority for the Conservative Party in what is left of the United Kingdom, a dream that many Tories must secretly share. An independent England plus Wales would allow them to pursue a radical right-wing program of government, unbothered by a weak Labour opposition and with both the Scottish National Party and the Republicans of Sinn Féin forever gone from Westminster. It is hard to see how such an outcome would ever benefit the many working class voters who chose to leave the EU and whose hardship May promised to address on her first day in office. Of course, May is not Machiavelli. For now, the world must take her at her word when she pledges to keep the union together. It is hard to see, however, how she can do so while at the same time negotiate a Brexit deal that her party can comfortably live with.

LONDON'S MAYDAY

In some ways, May's cabinet faces ideal conditions to deliver on the Brexit promise. The new Tory government can choose when to trigger article 50 [without a vote in parliament](#), it cannot be forced to hold a second referendum, and it does not have to face the voters until May 2020. Furthermore, the main opposition Labour Party is in absolute disarray and in open revolt against its hapless leader Jeremy Corbyn, who is unlikely to go anywhere any time soon. The staunchly pro-EU Liberal Democrats have been all but decimated in the last general election after five years of acting as unlucky junior partner to Cameron's coalition government. And UKIP not only leaderless after the resignation of its clownish front man, Nigel Farage, but also without a clear purpose now that the United Kingdom has secured its independence by voting to leave the European Union.

However, May's government only has a flimsy majority of 16 in the House of Commons and will not be able to deliver a clean hard Brexit without risking the union between England and Wales on one end and Scotland and Northern Ireland on the other. If May's pragmatism and unionism prevails, and she pushes for a soft Brexit à la Norway with some symbolic concessions—that is, something close to [Cameron's own pre-referendum renegotiation deal](#)—which broadly respects the EU's four freedoms and keeps the United Kingdom in the common market, her party will tear itself apart. The status quo scenario in which EU, union, and party remain intact died a painful death on June 23 and cost Cameron his job. Something will have to give.

MATTHIAS MATTHIJS is Assistant Professor of International Political Economy at Johns Hopkins University's School of Advanced International Studies (SAIS), the author of *Ideas and Economic Crises in Britain*, and the editor (with Mark Blyth) of *The Future of the Euro*.

Follow him on Twitter [@m2matthijs](#)