

Brexit done? We've barely started.

This blog is a transcript from a University of Bath Institute for Policy Research (IPR) Public Lecture, given by Philip Rycroft on 21 January 2020. Philip is former Permanent Secretary at the Department for Exiting the European Union.

Part 1 Introduction

Thank you for the opportunity to speak to you tonight and thank you for the welcome.

I'm here to talk to you about Brexit and the future governance of the UK, or at least that's what the lecture has been billed as. I'm gratified that so many of you have turned up, for of course the UK leaves the European Union in a mere ten days' time and that surely will be that, Brexit done? More ink spilt, more words said on this most examined and dissected and discussed of issues? Surely time to move on?

In a way, I wish it were. Through over three and a half long years, and a painful referendum campaign before that, we've all had plenty of time to have our fill of Brexit and all its works. At some point, this whole thing will begin to fade from view, to become the domain of the historians, who will, perhaps, analyse Brexit with some dispassion and explain more clearly what we only half see now, about how we came to this pass and what it tells us about ourselves and our future.

But I fear that moment is not yet. For sure the UK will leave the EU on 31 January. Big Ben won't toll, but there will be celebration for some, mourning for others and, for a few perhaps, a weary indifference. The legal order will have changed; to that extent, Brexit will indeed be done.

Much will conspire to dull the moment. The UK will enter the peculiar limbo of the transition period, out of the institutions, but still abiding by EU rules, old and new. The government itself will be keen to move on, to take Brexit off the front pages and convince us all that it

will be about other things. Only symbolically will this be a big moment. For the most part, life will continue on 1 February as if not much has happened.

But what this moment portends is huge. The decision to leave the EU will have consequences that will ramify through our national life for years to come. Exit and what comes in its train will shape the British state and our conception of ourselves as a nation, or nations, in ways perhaps that we can barely yet comprehend. Brexit in its own way if not quite a revolution, is a seismic upheaval in the affairs of the United Kingdom. Like all such upheavals, it has generated its own momentum and dynamic; who back in June 2016 predicted anything like the political trajectory it put us on over the past three years?

It is my contention in this lecture that, while the fact of legal Brexit may finally be made real, we are barely at the starting gate of dealing with the consequences of Brexit. I want to peer into the mists ahead, to see if we can discern any outline of things to come, of the choices and challenges that Brexit will bring in its wake and what this will mean for the governance of the United Kingdom. I do not aim to predict the future or to prescribe the future; I do want to elucidate some of the drivers that will shape that future as a way to help us think about it more clearly.

I will do so through three lenses.

I want to look at the immediate issues that face the UK as we disentangle ourselves from the EU. This is the most discernable territory, the likely shape of our future relationship with the EU; the prospects for wider trade deals; and the consequent economic and regulatory impacts on the UK, all told our Brexit legacy. There is now a rough route map into this space; the government has already made some decisive choices about the road to follow. But there has been less analysis of what those choices will mean and I suspect that even the government has yet to work out just how deeply Brexit will cut into the economic and regulatory life of the country.

I want to look too at the political consequences of Brexit. We have just witnessed a general election that has truly shaken up the political order to the UK, to a large extent on the back

of a deep malaise engendered by the Brexit process, or rather the failure to deliver on that process. Brexit itself at heart was driven by a desire to reclaim sovereignty for the United Kingdom. Now that general election has ensured that legal Brexit will be done, is that it? Does that reclaimed sovereignty settle the question and we go back into something like politics as broadly recognisable as normal? Or is the energy of this upheaval not yet spent? If so, where will it vent next?

I want to look at the emerging challenge to the UK itself. There are competing versions of sovereignty in the United Kingdom. Brexit has put more heat under that pot. As the consequences of Brexit unfold, can the UK itself hold together?

Part 2 – (What Officials Have Said to Ministers)

The immediate focus once we leave [the EU] will be on the negotiations on our future relationship with the EU. It will be the government's fervent wish, I have no doubt, that these negotiations should become as boring and technical as possible, as quickly as possible. No drama, thank you, just let's get this done away from prying eyes, and with a complaisant Parliament to hand, the government may, at least for a time, get its wish.

There can be no complaints there. The direction of travel was clearly set out when Prime Minister Johnson renegotiated the Political Declaration. This was as sure a pointer to the future he envisages as any and was hardly masked through the election campaign.

As Michel Barnier made clear a way back in the early days of the withdrawal negotiations, the UK had a binary choice on its future relationship with the EU; either a close relationship inside the Single Market, something akin to the European Economic Area (EEA), and possibly the Customs Union as well; or a free trade agreement, perhaps based on the current best in class, the EU's agreement with Canada, Comprehensive Economic and Trade Agreement (CETA).

Mrs May struggled long and hard to defy that remorseless logic. Pinioned by her early insistence that free movement would end, totally averse to any continuing jurisdiction of

the Court of Justice of the European Union (CJEU), she sought a way out in the Chequers deal, now almost ancient history, that doomed attempt to square the circle through some process of regulatory alignment that would limit the economic impact of Brexit while leaving the UK de facto outside the Single Market and the Customs Union. The department I led at the time lost its secretary of state and assorted junior ministers as a consequence as they saw in this a denial of the true path of Brexit.

The current Prime Minister was of course the other secretary of state who resigned in the aftermath of Chequers. His position has been consistent since; embrace the logic of the Barnier choice and seek a free trade agreement with the EU, seeing the limitations of such a deal not as a cost but as a liberation.

There was a lot of chatter in the immediate election aftermath about whether this position would shift, with the Prime Minister pursuing a softer Brexit, as a result of all those Northern and Midland seats, with the associated manufacturing industries, coming into the Conservative fold. But that is to repeat the category error that Barnier so firmly nailed back in 2017. Bluntly, the only way that the impact of Brexit on UK business can be mitigated is by following the first of the Barnier paths, into something close to the EEA, and there is no way that this Prime Minister will go anywhere close to that.

Why the concerns about the impact of a free trade agreement? It is really quite simple. Leaving the Single Market and the Customs Union means that the UK will create anew a trade border with the EU. That border, a literal one for the movement of goods, a virtual one for the movement of services, will be what creates new cost for businesses seeking to trade across that border. The negotiations might determine whether it is a thin border or a thick border, but a border is a border. Even with a zero tariff and zero quota deal, goods crossing that border will require customs declarations, security declarations, regulatory checks and rules of origin checks. Under a free trade agreement with the EU, British businesses will face new checks and new costs and will become less competitive in their main market as a result.

There is a choice as to how thick that border is. If the EU and the UK regulatory regimes remain broadly aligned and the respective authorities have confidence in the goods passing across the border, the thoroughness of the checks can be minimised. But if the UK seeks to diverge from the regulatory frameworks of the EU, the EU authorities are likely to impose a heavier burden of proof that the goods coming onto the EU market meet EU standards.

Take one example. The Prime Minister has spoken about liberalising the UK regime on genetically modified crops. This is a perfectly justifiable policy position; the caution of EU regulation is not supported by the science or the experience of other countries. But if the UK does take a more liberal approach, and the EU does not, any exporter of food products to the EU will have to demonstrate conclusively to the EU authorities that the product does not contain GM content.

The quality of access that the UK is able to negotiate will depend too on how far the UK is prepared to go in signing up to binding commitments on the so-called level playing field issues. These are the ancillary rules to the Single Market, on labour market standards, environmental regulation and competition and state aid policy, deemed vital by most member states as a means of ensuring fair competitive conditions for trade. It has been clear since the referendum that one of the top concerns in EU capitals was that Brexit would allow the UK to weaken its regulatory standards in a way that would make it unfairly competitive in its main market. The UK has a choice to become a Singapore-on-Thames, as the low regulation option is dubbed, rather unfairly from the perspective of Singapore, but there will be a price to pay in terms of the quality of access for goods to the EU market.

For services, there is no conceivable deal on the table that will give British service providers as good access to the EU market as they have now. At worst, they face a reversion to so-called home state rules, having to meet different regulatory conditions imposed by each member state in order to do business in that member state. At best, some of the edges will be knocked off home state rules by agreement on things such as labour mobility, mutual recognition of professional qualifications, rights of establishment and data flows. But even on the best outcome, doing business in the EU for British firms will become harder.

The Prime Minister has of course set the ambition to conclude a free trade agreement by the end of 2020, ruling out any extension of the transition period. Is a deal doable on that timetable?

This will be tough. It means concluding the main part of the negotiations within a very tight window. Negotiations can't really begin until the EU negotiating mandate is confirmed, which won't happen much before the end of February. And the deal will need to be pinned down by the late autumn in order to allow time for ratification to be concluded before the end of the year. That is a crushingly tight timetable.

Perhaps the most that can be achieved in that time is a thin free trade agreement on industrial goods alone. Even including agri-food could be problematic if the UK is insisting on regulatory divergence. A thin FTA would at least provide certainty on the future trading relationship on goods, but will only be achievable if the UK is prepared to meet EU conditions on level-playing field issues, probably as a minimum a commitment to no regression clauses, in other words to maintain standards at least as high as they currently are.

And the other issue that will need to be sorted to get that deal done is fish. For a small sector of the economy – only 0.12% of value add in the UK – fisheries attracts a disproportionate amount of political attention, both here and in coastal EU states. The argument will be about access to UK waters for boats from France, Netherlands, Denmark, Spain and elsewhere, and about access to the EU market for UK fish exports.

Passions run high on fisheries. Many UK fishermen supported Brexit as a means to reserve very much more of the catch in UK waters for themselves. Others, particularly shell fishermen, risk losing their livelihoods if they lose access to EU markets to sell their produce. For their part, French and Dutch and Spanish and Danish fishermen will argue that their access to UK waters long pre-dated UK membership of the EU; these are historic rights. Expect to hear a lot about fish before the end of the year.

If the government is not prepared to accept the conditions set out by the EU, the risk of failure even to achieve a thin FTA by the end of the year will be very real. This will not be the

same as the no deal scenario that we faced at various points before the Withdrawal Agreement was finally concluded. That deal would remain in place, with the commitments on money, on citizens and on Northern Ireland. But there would be no trade deal. The UK would trade with the EU on World Trade Organisation (WTO) terms from the beginning of 2021, so taking us over a different sort of cliff edge, but a cliff edge nonetheless.

There will be some, I have no doubt, who will argue that the difference between the sort of thin FTA that might be on the table and trade on WTO terms will not be so very great. There will be some truth in that. Expect those voices to get more voluble as the year progresses and the EU negotiating conditions are better understood. The advocates of a so-called clean break will not go away.

But our relationship with the EU is not just about trade in goods. As the Political Declaration that accompanied the Withdrawal Agreement sets out, there are a multiplicity of other policy domains where it is overwhelmingly in the interests of both the UK and the EU to have a functioning and defined relationship.

I have already touched on services. Other things that will need to be sorted include energy and transport, intellectual property, public procurement, management of digital markets, science cooperation and student exchange. Beyond that, there is the security relationship, hugely important for citizens in both the UK and the EU, both foreign policy and security cooperation and internal security.

All these are complicated issues in their own right. Some progress this year is possible, even likely, for example on foreign policy and security cooperation, which is mainly handled in inter-governmental space anyway, making some sort of arrangement with the UK simpler. But there is zero possibility that negotiations on all these things will be concluded by the end of this year.

What happens if agreement on these issues cannot be agreed by the end of the year? If trade negotiations have broken down, there is a high risk that we will effectively be in no deal territory on many or all of these other domains as well, compounding the shock as we leave the transition period.

So, the stakes are high. With a trade deal, it is likely that there will be the momentum to sustain arrangements in other policy areas that are still to be negotiated through some sort of mini transitions. We may even get to the point where both sides agree that some sort of overall wrapper is required for the relationship, something akin to an Association Agreement, not least to provide for the institutional infrastructure, including dispute settlement procedures, that is required to handle a complex international relationship. Concluding all this will take time. From an EU perspective, it will also be an agreement in mixed competence territory, engaging interests that formally lie within member state responsibility as well as issues of EU competence. That means that it will need to be ratified by member state parliaments, even some regional assemblies. That's not going to happen by next Christmas, or for many Christmases to come.

Failure to agree will see the UK tumbling off various cliff edges at the end of the year as we exit the transition period. That will not be the end of the story; for both the UK and the EU the relationship is too important not to seek to structure it in a formal way. So at minimum there will be negotiations about negotiations. We will have reason to bang on about Europe for a long time to come.

Whatever happens, the relationship will not be as close as it is now and there will be a consequent impact on the UK, and the EU, economy. On the back of the sort of free trade agreement that the government is pursuing, most, though not all, estimates by different groups of economists, including the government's own, suggest that the UK economy will grow more slowly than it would have done had we chosen to stay in the EU. The impact of that might be to reduce growth by around 5% over the next 15 years or so. Note; this is not absolutely poorer; we will still grow and get richer as a country, but we won't grow as fast. Indeed, some economist estimate that UK economic growth is already 3% less than it might have been, compared with the experience of other G7 countries over the last three years.

Why the economic impact? Again, the answer is simple. As all the most ardent Brexiteers would accept, free trade brings benefits. The UK is leaving the biggest and most successful

free trade area in the world. That puts friction into the trading relationship; that friction carries costs and those costs mean the economy grows more slowly.

UK businesses selling into the EU face a loss of competitiveness, but so do EU businesses selling into the UK. That's not good for either side. Given the EU surplus on trade in goods with the UK which runs to some £290 billion, some have assumed that the EU will be desperate to cut a generous deal with the UK. These are often the same people who have berated the EU for being more of a political than an economic and trade project. There's a strange myopia there. Just as a majority of people in the UK were prepared to pay a well-advertised economic price for a return of UK sovereignty, so many in the EU will be prepared to pay an economic price to protect the integrity of the EU political project, in particular the coherence of the reinforcing rights and obligations of the single market.

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So businesses on both sides of the Channel will be impacted. There will be an adjustment of supply chains and some import substitution. Some costs for consumers will go up. But given that the UK does 45% of our trade with the EU and the EU only 9% of its trade with the UK, the impact will be felt proportionately more in the UK.

The hope and intention is that the loss of EU trading opportunities will be compensated for by the vigorous pursuit of trade deals with other countries round the world, notably the US. And, of course, free trade generally being a good thing in economic terms, these deals will deliver economic benefits to the UK. But these deals will have to do a lot of heavy lifting to completely negate the adverse economic impact of a poorer trading relationship with the EU. Distance still counts in trade; it will be a lot harder to build as good a trading relationship with Australia as we currently have with the Netherlands. Only the most optimistic of economists (if that's not an oxymoron) believe that a gung-ho deal with the US and others will let the UK economy surge; and the price of such a deal would be the wholesale acceptance of US demands on things like agri-food standards and pharmaceutical purchases by the NHS, issues which to put it mildly are not uncontroversial.

So the economic legacy of Brexit will be profound and long-lasting. Because the macro effect will be slower growth, this will not be immediately evident to many of us; we won't

miss what we've never had. But that will be cold comfort for the many thousands of businesses, and their employees, who will feel the impact of a poorer trading relationship with the EU directly. Some businesses and some sectors, particularly those embedded in low margin, highly integrated European supply chains, will be hard hit. It will take time for the economy as a whole to adjust to these new conditions.

The government has tools in its kitbag that it can deploy to mitigate the economic impact of Brexit, chief among them actions that improve the business environment in the UK. The incoming government has promised vigorous action to do just that; borrowing around £20 billion a year to invest in much needed infrastructure, particularly in the Midlands and the North, increasing dramatically the amount of public funding available for research and development, so important as a driver of productivity and hence economic growth.

These things are not Brexit dependent; any government over the last few years could have done precisely the same. But there will be some opportunities available to this government that do flow directly from Brexit and the taking back of control. There is the chance to remake chunks of our regulatory state.

The most immediate and prominent example is the need to re-base the UK's immigration system as free movement for citizens of the EU comes to an end. The promise is for an Australian-style points-based system which will bring EU citizens into the same system that applies to potential immigrants from other developed countries and beyond. There is no doubt that the UK has a continued need for workers from overseas, not just in high-skilled jobs but also to staff our health service, our care system and our hospitality sector. I am less certain that we have had a sufficient debate about the balance of that need for workers and concerns about the consequent levels of immigration. In short, does taking back control of our borders reconcile people to continued high levels of immigration? Or does the underlying concern about the perceived pressures of immigration persist?

In some sectors, there will be no choice other than to create a new policy context. Leaving the EU means leaving the Common Agricultural Policy (CAP) and the Common Fisheries Policy (CFP). New law is required to give the government powers to manage these interests once we are out of the EU, hence the bills in the Queen's speech. There is undoubtedly opportunity here. It would be difficult to create a more economically and environmentally

perverse policy than the CAP. But our farmers will face this new future in the tender care of Her Majesty's Treasury; there will, I hope, be a vigorous debate about how public goods are delivered through any continued subventions to the industry. Likewise on fishing; exit from the CFP is a chance to improve the management of fish stocks in UK waters. It should not give licence to weaken controls over exploitation of a precious common resource.

On regulation more generally, the government will have the chance to make the law in a way which better suits British business and other interests. Businesses have already been warned to expect divergence, though on what is not clear, nor to what end.

There are examples of where EU regulation does not work well for British interests. There is a prospect too that Brexit will allow the UK to be a more agile regulator of new industries and new technologies, from smart cars through to biotech, AI and big data.

But the UK will also have to accept the reality that the EU is now one of the major drivers of standards in world markets. Should the UK choose to diverge in domains like auto, chemicals, agri-food or pharmaceuticals, UK businesses will still need to produce to European standards for the EU and other markets. The cost of demonstrating compliance will be higher and the cost higher still if businesses are forced to produce to different standards for the UK market.

Nor is it clear yet whether the government will include labour market and environmental standards in its drive to diverge from the EU. Does it have the Working Time Directive or the Agency Workers Directive in its sights? What about the Habitats Directive or the Wild Birds Directive? If so, what will this mean for standards within the UK?

Therein lies the rub. Quite apart from the interaction with the negotiation on our future relationship with the EU, these regulatory choices are important for the sort of society we want to be. As we take back the freedom to make our own regulatory choices, from immigration to agriculture to workers' rights, so we import the political controversy that attends them. Those debates have been muted in the noise of the Brexit battle, but they are debates we surely need to have if we are to build a post-Brexit regulatory state that works for the country and commands a common acceptance.

Part 3 Other Pressing Issues

Where does this leave us? It leaves us with Brexit far from being done. It leaves us with negotiations stretching to a distant horizon or facing the disruption of no trade deal at the end of the year. It leaves us with an economic impact that will take years to wash through the economy as resources are reallocated in response to the change in trading circumstance. It leaves us with a substantial challenge to work out how we re-order the regulatory state in a post-Brexit world.

All of this is challenging in its own right and will pre-occupy the government for a long time to come. But much of it is at best tangential to many of the most pressing issues that we face as a country.

There would, I think, be broad consensus on what many of those issues are. I would include in no particular order: inequality; stalled productivity growth; poor export performance; climate change; the increased health and social care demands of an ageing population; poor educational and skills outcomes for too many young people; disenfranchisement and alienation in many communities; a dysfunctional housing market.

On none of these issues has our membership of the EU acted as a major constraint to progress. At least, on each of them there are other EU member states that perform better than the UK, some on pretty much the whole lot. None of these problems will go away because of Brexit. Indeed, as slower economic growth means less revenue for the Exchequer, the resolution of these problems through increased public expenditure is slowed down.

This is what I think of as the paradox of Brexit. This was at heart about taking back sovereignty. Taking back sovereignty is meant to improve how people feel about themselves, their communities and the country we live in. But the very act of re-claiming that sovereignty has made it more, not less, difficult to deal with the issues that have the

greatest impact on people's lives and which, I would contend, have driven so much of the discontent that lay behind popular support for Brexit.

Which begs the question: what will be the longer-term political impact of Brexit? Put crudely, will the fact that we have taken back control be sufficient to deal with the undercurrents of dissatisfaction that drove Brexit? Will people look at the state of the country through a different lens knowing that we have repatriated responsibility for sorting things out ourselves?

There is no doubt that we are already witnessing a significant change in British politics. The Conservative party that won a handsome majority in the 2019 election is not the party of 2010 or 2015 or even 2017. It's economic programme, including a massive increase in infrastructure investment, greater state intervention through an enhanced research-led industrial strategy, continued capping of electricity prices and increases in the national living wage, would not have looked out of place in an Ed Miliband conference speech circa 2013. If mildly to the left economically, on social policy it is looking less liberal than its predecessors, at least with the heavy emphasis on law and order. On the NHS, schools and social care, we are not seeing the radicalism of market driven solutions; the state is back.

This is the party that won more support than Labour in every social class and now has a better geographical representation across Great Britain than Labour. No doubt the decisiveness of the party's position on Brexit and the weakness of the Labour leadership were contributory factors to the outcome, neither of which will necessarily be major issues by the time of the next election. But the realignment we have witnessed runs deeper than that. The Conservative party has succeeded in latching on to the spirit of the time, a prioritisation of security over freedom, of certainty over the risks of globalisation, of homeland over international, and won an election on the back of that.

It has framed that victory with large promises. Brexit has been gilded with a touch of the millenarian. It will bring be a new dawn, the unleashing of the spirit of the nation. Brexit will make Britain great again. No longer cabined, cribbed and confined by the prison of the EU,

our native genius will be freed to soar once again. Heady promises which now confront the gritty reality of our life outside the EU.

The forthcoming negotiations with the EU will be tough and messy. Leading proponents of Brexit, on record as having once been prepared to accept outcomes at the soft end of the spectrum, toughened their position as the withdrawal negotiations progressed, up to and including the advocacy of a no deal outcome. Will they be any more prepared to compromise in the next stage of this game? Or is it more likely that their impatience with the demands of the EU will drive them further and further away from an ambitious future relationship?

What happens to wider public opinion? If the dawn is not as bright as promised, if the impact of Brexit dampens the ability of the government to inject resources and economic vigour back into those disaffected midlands and northern communities, what happens then? There is at least a chance that we discover then that the pent-up frustrations in British society that led to Brexit will not be completely vented by Brexit. It is unlikely that the European Commission or the EU will become any more popular in the UK through the process. Far from buyer's remorse, there is, I think a fair chance of significant popular support for a tough line to be taken in the negotiations with the EU. This will materially increase the chances of a no trade deal outcome at the end of this year.

Does it stop there? Brexit is about more than a rejection of a formal relationship with the EU; it raises deeper questions about identity, about people's sense of self and place, about culture and social attitudes. If the fact of Brexit does not lead to tangible change that addresses those yearnings, what impact does that have on British politics?

We're in too deep now to step back. Upheavals radicalise; if the promised change is not delivered, the answer is rarely to stop, more often to drive on the change. We have already seen the way in which the Brexit process has pitted the advocates of the new order against the institutions of state; the judiciary, business, the Houses of Parliament themselves, the civil service. The broadly socially liberal, open market order that has governed the affairs of this country at least since the early 90s has been under sustained assault. Has this process

run its course? Or will we look back in 15 years' time and recognise that at the turn of this new decade we were still in the middle of an upheaval that will lead to profound changes in the nature of politics and the institutional order in this country?

I want finally to turn to the future of the United Kingdom itself.

Brexit as an argument about sovereignty sits atop the existing arguments about sovereignty within the UK. We know that one of those arguments is settled, for the foreseeable future anyway; we are leaving the EU. But the settling of the one argument leaves the others more unsettled; indeed, Brexit and the manner of Brexit has put more heat under the pot. As the aftermath of the election has demonstrated, the legitimacy of the current settlement faces a continued and invigorated challenge.

Even without the pressure from nationalisms internal to the UK, the four governments would have a substantial agenda of post-Brexit issues to sort out. The devolved governments have a legitimate interest in what follows next in terms of the negotiation of our future relationship with the EU. In some domains, for example fisheries, their interests are predominant. In others, including agriculture and some industrial sectors, there are particular dimensions to the sectors in the devolved parts of the UK which will need to be reflected in the UK negotiating position. Across the whole, the devolved governments should be engaged in the development of the UK negotiating position and in the major decisions taken through the negotiating process.

As powers flow back from Brussels, they return in areas of devolved competence to the devolved governments. In another Brexit twist, leaving the EU single market leaves the UK internal market exposed to erosion, if the four governments of the UK choose to exercise those returning powers in areas such as agriculture, fisheries and the environment to create different regimes and standards on different sides of the UK internal borders. Common frameworks will be required to avoid that risk to the UK internal market, but common frameworks will require cooperation and compromise; in short, a maturity and respect in UK inter-governmental relations which has been in somewhat short supply in years just past.

But, of course, the context in which this new sophistication in inter-governmental dealings is required is hardly propitious. Nationalists in Northern Ireland and Scotland claim that Brexit has fundamentally changed the nature of the deal that underpinned the concept of the United Kingdom as a state.

For Northern Ireland, common Irish and UK membership of the EU was part of the solvent that allowed the Good Friday Agreement to shape new institutions, and new hope for the future, through the softening of old rigidities. The acceptance of a border effectively down the Irish Sea as part of the Withdrawal Agreement is vivid testament to the problematic nature of any attempt to resurrect anything like the old border on the island of Ireland itself. In Scotland, part of the promise made in the 2014 independence referendum was of a continued membership of the EU within a continuing UK. There is no sign yet of opinion in either Scotland or Northern Ireland shifting from the pro-EU stance taken in the EU referendum. Neither wanted out and both want back in. Part as consequence, support for independence on the one hand and unification on the other shows no sign of withering away. Both are societies divided, more or less down the middle, on the most existential of questions, their national future. And in Wales, the indy-curious are stirring the interest in independence to new levels.

It would take a brave person to predict where all this will lead us. The hard Brexit to which we are heading will hardly propitiate opinion in Scotland. The working through of the Northern Ireland protocol will put a new dynamic into relations on the island of Ireland as the economy of Northern Ireland responds to a different gravitational pull. At the same time, the alternatives are no less problematic than they have always been and fraught with risk.

In another of Brexit's twists, we have the SNP arguing to maintain the benefits of the EU single market while arguing for an exit from the UK single market, in itself made more complex by the UK's exit from the EU. We have the SNP arguing that Brexit is economically irrational while promoting independence for a Scotland whose fiscal deficit is several times higher than that for the UK as a whole. Meanwhile, Brexiteers deny the legitimacy of the

SNP's claim for independence. What's sauce for the UK sovereignty goose, is evidently not sauce for the Scottish independence gander.

The May 2021 elections for the Scottish Parliament will be critical. Should the SNP and its allies win a majority on a specific referendum mandate, there will be immense pressure on the UK government to cede the holding of a legal independence referendum. If that were to happen, the result on current polling would be very difficult to predict.

This is all deeply unsettling. The status quo is fragile, the future uncertain. Opinion in England appears increasingly equivocal on the value of the UK Union. The different concepts of sovereignty held by many in Scotland and Northern Ireland, and increasing numbers in Wales, cannot be squeezed into the Brexit pot. Things may hold for now. But there is a chance that the story of this government that the history books tell, will not be about exit from one union but about exit from two.

Three and a half years of paralysis over the UK's withdrawal from the EU has blind-sided us to the scale of the challenge that lies ahead. In the desperation to just get the thing over the line and to end the agony of bitter indecisiveness, we have not really had much of a debate about what might actually come after exit.

There is a world in which the process of exit begins to wash out of UK life the political frustration that led to Brexit, and the division that it has engendered. There is a world where the UK and the EU find reason in a negotiation, the economic impact of Brexit is contained, and the UK stumbles back to politics that seem somewhere close to normal.

While that in this mad world would feel like an outcome, I fear that it is one that is not within reach. The momentum that has propelled this upheaval in British affairs is not yet expended. The more likely scenario is that the travails on the road ahead will lead to yet more of the unexpected, and to outcomes that we can only half guess at from where we stand now.

Brexit done? We've barely started.