

# Brexit path dependency

Blog post by Senior Director Gregor Irwin, 10 July 2017

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Unless you're fond of ambling, it's the choice of the destination that usually determines the path you take. The Brexit negotiation is no stroll in the park, but it now looks like one of those cases where it is the path that will determine where we end up.

There have been plenty of signs over the past twelve months. Step one on the Brexit path, immediately after the referendum, was for the Conservative Party to choose a new leader - and prime minister - to replace David Cameron. Theresa May won that contest, when the other candidates buckled around her.

Step two was for the UK to turn inwards, and for May's new government to adopt a hostile tone towards the EU. We should not have been surprised by that. While Boris Johnson or Michael Gove could have reached out to the EU, Theresa May was a Remainer, albeit a quiet one, who still had to prove her Brexit credentials. That meant sounding tough and setting out red lines - immigration controls, an end to ECJ jurisdiction and so on - as May sought to convince British voters that she had heard them.

With that done, step three involved looking over to the other side, as Brexit still had to be negotiated. That meant setting out a proposal - a twelve-point plan in the Brexit white paper, published in February. It also required a notably more constructive tone, if still an uncompromising position on those red lines. After that, and some minor business in parliament, Theresa May was able to trigger Article 50.

So far, so good. Theresa May's position was not exactly comfortable, as she had little political space at home to adjust her position. But she had established herself as a credible prime minister, with high approval ratings, who faced a weak opposition, with most of the political constraints imposed from within her own party, given her small majority. And so that naturally led to step four - calling a snap election - with the aim of getting the majority, and the personal mandate she needed, to be able to flex the UK's position in the Brexit negotiation.

Of course, step four turned out to be a misstep. It produced a result that was pretty much the opposite of what was intended. That simply exemplifies the path-dependency - and the uncertainty - of the Brexit destination.

What can we say now about the prospects for Brexit, given the road travelled so far? Three observations. First, humility is important. The destination of a path-dependent journey is by its very nature hard to predict. Anyone who speaks with certainty about that is kidding themselves. The political ground moved under the feet of the prime minister on 9 June, as the election result became known. That's unlikely to be the last misstep on the Brexit journey, by either side.

Second, the UK government's negotiating position - its direction of travel - is now as rigid as it is unsustainable. The government is stuck with the 12-point framework, because the Conservative Party is incapable of "uniting" around anything else. Any serious attempt to soften or harden the

position in any way will be met with an immutable internal opposition. But being able to flex your position is essential in any negotiation, particularly one that is time-limited and as complex as this. Anyone who doubts how far apart the two sides are should read [the speech](#) given last week by European Commission negotiator Michel Barnier.

Third, the inability to flex the direction of travel means the UK will continue down the same path until forced off by events. What might those events be? It could be a direct challenge to May's leadership; a revolt by investors losing faith in the UK's economic prospects; or a series of rebellions and defeats in the British parliament that means the legislative component of Brexit becomes harder to deliver. Or it could be something else.

The conclusion, is that far from being a walk in the park, Brexit is about to turn nasty. The political equilibrium in the UK is unsustainable - which means more political instability lies ahead. That means the Brexit destination is anything but clear. And it won't become clearer any time soon.