

Global Economy

# Brexit: May opts for the risk

Expansión

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The political situation in the UK continues to be complicated after the Parliament's firm rejection of the agreement negotiated by Prime Minister May with the European Union. Since then, the Government still does not have sufficient support, especially due to the backstop for Ireland, but it maintains its red lines both in the agreement (to maintain sovereignty over immigration and trade agreements with third countries) as well as in the exit strategy (rejection of the extension of article 50 and the no-deal exit), which makes it increasingly more difficult to come to an understanding with the rest of the political forces. This situation has led to various MPs from all over the political spectrum having presented amendments to ensure that Parliament takes greater role in the process and avoid an abrupt exit. But, beyond these movements, the Parliament is still divided, and it seems difficult to find a consensual solution to guarantee an orderly exit.

This situation was reflected in last Tuesday's Plan B motion: the possibility that the amendments submitted by the pro-European MPs could prosper to postpone the exit and prevent a no-deal Brexit which was able, for the moment, to bring the Conservative's members together to support May's plan, provided that the backstop for Ireland was changed and thereby prevent the indefinite stay in the customs union. The lack of a clear road map led to a change to the Prime Minister's initial position ruling out renegotiation of the agreement with Europe and led her to support the amendment of the Conservative MP Brady in this regard, which were approved together with the help of the Unionists from Northern Ireland. The support of both parties also served to reject the other amendments against the plan B. In short, the Parliament wasted the opportunity to eliminate the worst of the scenarios, while the Government won the legitimacy to return to Brussels to renegotiate the Brexit agreement.

The British Parliament's approval of this new road map has not changed Europe's position, which is clear that the agreement reached is the best possible one and it is not willing to reopen the negotiations, especially as regards the backstop. However, the willingness remains to help May to achieve an orderly exit, although at present it does not seem that the concessions will be sufficient to secure the support of the most Eurosceptic Conservative MPs. These are still waiting for an alternative backstop based on a maximum facilitation model (a sort of digital border) or, failing that, a legal change that ensures that it is temporary or the UK 's possibility to unilaterally revoke it. And the most worrying, given May's nod to this wing of the party, is that in the event that no significant change is achieved, the agreement reached within the Conservative Party is that the alternative is to put pressure on Europe to organise an exit without agreement during the transition period, ideally until the end of 2021.

Looking ahead, it is difficult for May to get a modified plan that is supported by the Parliament in mid-February, so most of the pro-European MPs will have a new opportunity to try to take the reins of Brexit or, if not, the probability of a cliff-edge exit will continue to increase. In theory, all the options would remain open, but the urgency given the deadline makes it more likely that May's plan will end up being approved, or that there will be some kind of commitment on the future commercial relationship with Europe, such as membership of the customs union (supported by the Labour Party) or a Norway Plus model (supported by the Conservatives). In any of the above cases, the extension of article 50 is highly probable, but the probability of a second referendum or revocation of the Brexit is reduced.

In short, the strategy followed so far is very risky, and if the endeavour to force the negotiations until last minute without changes in the red lines prevails, the probability of the default option of a cliff-edge Brexit increases significantly

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