

Written evidence submitted by Professor Simon Usherwood (FRE0005)

Summary:

- The main impacts to date have been on A) the speed of negotiations, with a marked slow-down of progress on substantive issues, and B) the preparatory implementation work, with many resources being re-directed to COVID-19-related activity
- There has been little sign of COVID-19 changing political preferences on objectives in the negotiations, on either side
- There will be an increasing impact on both sides' understanding of non-agreement effects, which may affect the question of extending transition

I submit evidence in a personal capacity, based on academic research undertaken in recent years for the University of Surrey and as former Deputy Director of the ESRC's "UK in a Changing Europe" initiative. That work has focused on the Art.50 negotiations, and roles of the various parties in the Brexit negotiations more generally.

1. COVID-19's main impacts to date on the Future Relationship negotiations have been a function of the policy of lockdown pursued across all negotiating parties. These lockdowns have resulted in a removal of the capacity to hold face-to-face meetings, which impacts the negotiations in the narrow sense, but have also meant very substantial impacts across public policy, which affects preparatory implementation work.
2. While a number of teleconferenced meetings have taken place on the Future Relationship, Joint Committee and Irish Protocol implementation, these have been both fewer in number than originally planned, and less able to make substantive progress. Remote meetings lack the degree of flexibility and improvisation that negotiators typically use to attempt building mutually-acceptable outcomes, tending to result in more use of cycles of written exchanges. While this does not necessarily result in sub-optimal outcomes, it is more cumbersome and time-consuming.
3. The meeting schedule has also been impacted by assorted members of both negotiating teams been ill from COVID-19-related illnesses. While fortunately none of these has been serious, it has further slowed progress on negotiations as delays have built up while awaiting recovery of key figures.
4. Alongside the negotiations, both sides have had to handle a large part of their work on preparing for post-negotiation situations be side-tracked by the critical demands of reorienting public policy to the needs of a lockdown situation and major ramping-up of public health work. In practical terms, this has meant that the UK has been slower than planned in recruiting the officials needed for the processing of trade and customs documents, in the development of infrastructure (e.g. at ports) and in the progressing of relevant enabling legislation (as a function of the disruption to Parliament's sitting). Likewise, the EU and its member states have not moved to full completion of procedures, although this has been less critical for them, as preparatory work had been well-progressed during the Art.50 process.
5. The current capacity on both sides for major public works and/or regulatory activity remains well below normal ranges, primarily due to the lack of political bandwidth

for substantive discussion and decision-making and to the limits on implementation work on the ground while lockdowns continue in their current forms.

6. To date, neither side had given any indication that their underlying political objectives from the Future Relationship process have been changed by COVID-19. The objectives and mandates set out in February remain in place as the cornerstone for negotiations. While the pandemic has highlighted the interconnectedness of the global economy and of public health responses, this has not translated into changing preferences: indeed, as the question of UK participation in EU activities has shown, it has been truer to say that the UK's position on this has been driven by its Brexit policy, rather than the other way around. With the first phase of the pandemic starting to pass, there is no immediate reason to believe that there will be any subsequent change on this aspect in the rest of the Future Relationship negotiating period.
7. One emerging area for the Committee to note is the matter of how COVID-19 might be changing political and economic calculations about the Future Relationship process, especially relating to the costs of a non-agreement. The broad consensus of economic modelling is that a non-agreement in the Future Relationship will cause significant disruption to the UK economy, as well as substantial effects in neighbouring EU member states: these will be smaller than the downturns modelled for an Art.50 'no-deal', mainly due to the Irish Protocol (which should ease – but not eradicate - effects on the island of Ireland) and to continuing business adaptation more generally (e.g. on supply lines and reserves). However, such effects are going to be very much smaller than those impacts seen during the COVID-19 crisis.
8. While modelling the exit from the current massive economic contraction is necessarily very tentative, it has been argued in some quarters that the necessary economic restructuring that will occur in the coming year will be a good opportunity to 'roll in' any disruption from a non-agreement of a Future Relationship, and as a result, no extension of the Transition Period should be sought. This invites two observations that speak to a more cautious approach. Firstly, the disruptive effects of COVID-19 and a non-agreement are partially overlapping, and the cumulative effect of dealing with both might result in some businesses failing and in a less robust economic recovery. Secondly, the very disruption that COVID-19 has brought suggests that there will be a more general policy debate to be had at a global level about adaptation to such shocks: that debate is likely to affect all the terms of international cooperation, so it might be more prudent to leave the door open on the UK-EU relationship until more is known, rather than precipitously closing the opportunity currently available. The UK would still retain the right to walk away, but by extending would keep the possibility of setting some of the key terms of the new post-COVID-19 settlement.



Committee on the Future Relationship with the European Union

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Professor Simon Usherwood
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University of Surrey

Dear Professor Usherwood,

The House of Commons Committee on the Future Relationship with the European Union is inquiring into the progress of the negotiations between the UK and the EU. Under normal circumstances, the Committee holds regular oral evidence sessions in Westminster. However, measures to prevent the spread of the coronavirus make this difficult.

The Committee is keen to gather as much evidence as possible to inform its deliberations so I am writing to you to ask whether you would be willing to help us with our work by making a written submission. We welcome general responses to our call for evidence, which was published on 4 March. We also hope that you would be willing to answer some of the more specific questions set out below on issues that fall within your area of expertise. Such submissions need not address every bullet point and can include other matters that you think are relevant to the negotiations and should be drawn to the attention of the Committee.

- What work will be carried out by the Joint Committee and its specialised committees at formal meetings, what work will be carried out during the periods in between, and who will be involved?
- What is the current state of play on the operation of the Joint Committee and its specialised committees and what are the next steps?
- Do you foresee any ongoing impact of COVID-19 on the work of the Joint Committee and its specialised committees?
- How much transparency are we likely to see with regards to the work of the Joint Committee and specialised committees?
- How might Parliament and this Committee scrutinise both the Government's decisions on the Joint Committee and its specialised committees and their operation going forward?
- How will the European Parliament be scrutinising the work of the Joint Committee and its specialised committees?
- Were such an arrangement to be agreed, how might joint scrutiny of the Joint Committee and its specialised committees by the UK and European Parliament work?
- What lessons might be drawn from how the EU-Switzerland Joint Committee works, particularly as regards its effectiveness at managing the relationship, transparency and parliamentary scrutiny?
- How will the operation of the Joint Committee and its specialised committees interact with the Future Relationship negotiations?
- Do you foresee any potential disagreements arising in the Gibraltar, Cyprus and Citizens' Rights specialised committees? If so, what are the key issues and how challenging might they be to reconcile?

The Committee staff will be happy to discuss the inquiry, any issues raised, or the process for submitting written evidence. You can contact them at freucom@parliament.uk.

Yours sincerely,

Hilary Benn
Chair of the Committee