

Brexit will defeat the Government unless it recognises that everything has changed



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Sitting tight is no longer an option CREDIT: GLYN KIRK/AFP

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So what do they do now? On the face of it, Theresa May and her slightly reshuffled Cabinet face nearly insurmountable constraints and dangers.

The normal survival plan for a minority government is to pass little legislation, but preparation for Brexit requires a mass of [complex and controversial law-making](#). Any threat to execute a “no deal” strategy and take the UK in a lower-tax, lighter regulation direction has lost much of its credibility, so our negotiating position in Europe is weaker.

The escape route of another dissolution is unattractive because the result might be the same again, or even worse. The election result has undermined confidence in an economy already facing the uncertainties of leaving the EU, threatening a downturn to compound the problems.

In the worst-case scenario, we end up with a poor Brexit deal rejected in parliament but with no alternative available, presided over by ministers suffering mounting public and business dissatisfaction, leading to the election of a Labour government led, in effect, by Marxists.

Faced with such dangers, sitting tight is not an option. Napoleon's maxim that "the side that stays within its fortifications is beaten" applies fully to this situation. Breaking out of these problems will require a change both of style and substance, treating last week's terrible outcome as an opportunity and a duty to tackle intractable issues in new ways.

Of course, many items in the Conservative manifesto will have to be abandoned. But other areas could be intensified. Take housing, for instance, which all parties agree is a major national priority. Ministers could convene a cross-party working group, including the new mayors of the big cities, to agree a plan to accelerate new home building across the country by changing regulation, taxes and spending in an agreed way. If successful this would boost the economy and help young people. It would signal a more open approach to problem solving. And if opposition parties did not play a constructive role, the blame for lack of progress would lie with them.

Such a simultaneous change of the style of government and the substance of its decisions is also the way to break through the most difficult problem of all: how to steer Brexit in a way that leads to a good agreement, gives confidence to businesses and creates a broader consensus among MPs.

This is formidably difficult, and a hundred times easier for me to write about than to pull off in reality. But the alternative of saying "nothing has changed", and ploughing on against half the Commons, two thirds of the Lords and all of Europe will only end in disappointment and defeat.

What could be the way through the Brexit conundrum? First, [start the negotiations on time next week](#). There's plenty to discuss, including the Northern Ireland border, the sequencing of the talks, the financial liabilities of the UK, and so on.

Second, change the emphasis given to the UK's objectives, with a clear indication that economic growth will have priority over controlling the number of people entering the country for work. This would show a readiness to accommodate the views of Scottish Conservatives, business organisations and, to some degree, opposition parties, within certain parameters.

Those parameters would be something like the following. This is about delivering Brexit, not wriggling out of the democratic decision of last year's referendum. The Government believes it is essential in the light of that to become a sovereign nation, not subject to European court judgements and with control of our own borders. That is what millions of voters, and the bulk of the Conservative Party – still the largest party in the nation – would insist upon.

That means we can't just stay in the single market, and have the EU make all our decisions for us while we have no say over them. We can't therefore be in the European Economic Area like Norway, although we could possibly join that for two years if that could be agreed as a sensible staging post for our withdrawal from the EU. But we can negotiate the "[bold and ambitious free trade agreement](#)" that the British people would like to see if we take a pragmatic approach to how we use the control we will have won back.

There are various ways of doing this. One of them – put forward in this column before – is to bring in work permits for workers from the EU but agree to grant them to anyone who gets a job in Britain, unless they have a criminal record, or extremist connections. They would not receive any support if out of work, and the same rights would have to apply to British citizens throughout the EU. This approach, just one significant step short of free movement, would set the stage for a promising trade negotiation, and avoid damaging our own industries relying on European workers, from banking to fruit picking.

Third, call in the CBI, the Institute of Directors, the British Chambers of Commerce, the Federation of Small Businesses, the TUC, the first ministers of the devolved governments, and the leaders of all the opposition parties – yes, even Corbyn – leading MPs of all parties, and say: "If you are willing to discuss how to make this work within these parameters, come in and we will be open to your views. There isn't a perfect solution, but on how to conduct a transitional period and how to help the economy through Brexit as a priority we will work with you. Otherwise, we will just have to try to do this without you."

Could such a process work? It is unlikely all parties would genuinely enter into it, and utterly improbable that there would be agreement all round. Yet there might well be some common ground on how to balance trade and migration, and even if there wasn't, the Government would

have changed both the style and substance of how it approaches this most complex of issues. It would have to be done in the next few weeks to have any hope of being in time for key stages of the exit talks.

There is little downside to trying, and there is the major upside of recognising that the political world has changed, once again. The country expects its leaders to accept that, work with it, and avoid disaster at the same time. And that, just, can be done.

