



Brexit: the manifestos uncovered

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Foreword

This is, according to several of the parties and at least one national broadcaster, a Brexit election. Assuming this is wholly – or even partially (as even Labour accept in their manifesto) – true, what the parties are saying about Brexit is therefore of crucial importance.

This report represents our attempt to identify what they say, to compare the different pledges the parties make and to explain in straightforward terms what each of them is offering on Brexit. Our aim, simply stated, is to promote understanding so people can make up their own minds.

Once again, we have been fortunate enough to be able to draw on the expertise of some of the country's leading social scientists. Catherine Barnard, Matt Bevington, Charlotte Burns, Katy Hayward, Nicola McEwen, Jonathan Portes, Jill Rutter and Dan Wincott all contributed to this report. Alan Wager and John-Paul Salter edited the text. My grateful thanks to them all.

I hope you find what follows enlightening and informative. Election campaigns produce endless amounts of heat. We have attempted in what follows to shed at least a little light.



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3 December 2019



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Introduction

Manifestos are to elections as crackers are to Christmas. Intrinsicly linked in the minds of enthusiasts, yet hugely unpredictable in terms of quality. It's only by opening them that you'll know whether you've ended up with surprisingly likeable, and conceivably even useful trinkets, or with yet more useless tat.

When it comes to Brexit, what stands out from the various offerings is the sheer breadth of what is on offer. From getting it done to cancelling it altogether, from a relatively loose relationship with the EU to continued membership.

As ever, however, the devil lies in the detail. All the parties claim to be able to put an end to what they all portray as some kind of Brexit impasse. Yet all leave room for justified scepticism as to whether they will be able to deliver what they promise.

This applies particularly to the two largest parties. The Conservatives are correct in claiming that, were they to secure a majority, they would be able to 'get Brexit done' in the sense of ensuring the UK leaves the EU by the end of January. Whether Brexit will, in fact, feel done at that point, given the trade negotiations that will follow, is another matter entirely.

Moreover, by refusing to countenance the extension of the transition period – set to run until December 2020 unless such an extension is agreed by the end of June – the Tories are placing enormous pressure on themselves (and the EU) to agree and sign off a trade deal by that date. As we make clear, we are sceptical as to whether this is achievable, and, if it proves to be so, whether much of a deal can be hammered out.

When it comes to the Labour Party, practical problems are again glossed over. Yes, a new deal could be negotiated with the EU, though it may not be as plain sailing as Labour assumes. Whether, in practice, renegotiation could be completed and a referendum held on the outcome within six months is, as best, open to question.

Perhaps the most striking thing about both the Conservative and Labour plans is the degree of ambiguity surrounding the future. With Labour, it is far from clear what the notions of joint UK-EU trade deals or 'close alignment' with the single market actually mean. When it comes to the Conservatives, the lack of detail concerning what they do – as opposed to what they do not – want from a future relationship with the EU is remarkable, and extends to the complete absence of any mention of security cooperation with the Union.

Space constraints have meant that we have not been able to look in any detail at the raft of policies directly impacted by Brexit. We have, however, looked at the various offers on immigration. From these it is clear that a political context markedly different from that at the time of the 2016 referendum has allowed for a rather more mature debate. The parties are all proposing a more liberal approach than that which looked likely under Theresa May.

Finally, and perhaps least encouraging, is the absence of any sense in which the implications of Brexit are taken into account across the rest of the various manifestos. The nature of our relationship with the European Union will have significant implications for the economy. As all the parties signal a shift back towards big government, the Conservatives in particular do not factor in what leaving the EU might imply for their economic plans. The Conservatives propose measures that could be seen as an attempt to minimise some of the fallout from Brexit – while also claiming that getting Brexit done will open the way not just to new trade deals beyond the EU but to advances in a number of other seemingly unrelated fields. Much as in 2017, Brexit remains largely self-contained, with minimal cross-read to either main party's broader ambition for the country.

We go through all of this in much more detail in the pages that follow.

The Brexit process

The Prime Minister has made the phrase ‘get Brexit done’ very much his own. However all the parties are offering the prospect of some kind of Brexit closure. They are all proposing solutions to what they portray as the Brexit impasse. Yet not only do the destinations they propose differ profoundly, as we shall see in the next section, but so do the routes proposed to those various Brexit end points.



A commitment to ‘Get Brexit Done’ lies at the heart of the Conservative manifesto, and the theme is revisited repeatedly. With a Conservative majority, the process of ‘getting our deal through Parliament’ would start before Christmas (implying a truncated Queen’s Speech) and passed by the end of January, enabling the UK to leave the EU on 31 January 2020.

So Brexit – the UK’s exit from the EU institutions – would be ‘done’ in the purely legal sense. But Brexit uncertainty will continue. The Withdrawal Agreement is merely a precursor to a ‘standstill’ transition period during which the UK and the EU have to negotiate the terms of their future relationship. And while the Withdrawal Agreement makes provision for a transition that lasts until December 2022, any extension must be agreed by both sides by July 2020, or it will expire in December 2020.

Hence the second Conservative manifesto commitment – that there will be no such extension – is (from a practical point of view) far more problematic. It implies any agreement on a future relationship will need to be signed, sealed and – if ‘mixed’ (exceeding the exclusive powers of the EU) – consented to by the UK Parliament and the parliaments of the 27 EU member states by the end of 2020.

To have any chance of achieving that deadline, ministers will need to be clear not only what they want the future UK-EU relationship to look like, but also where they are prepared to compromise. Yet even with clarity on those points (and there is precious little in the manifesto), this would be a hugely demanding timetable for the two sides. And what the Conservatives do not say is what happens if a trade deal is not agreed in time. No trade deal – albeit for Great Britain only – would be the default scenario.

There is of course the possibility that Boris Johnson might repeat the trick he pulled off with the Withdrawal Agreement. That is, despite the manifesto pledge, he may concede the need for a further extension wholly or largely on the EU’s terms while describing it as something completely different. We may, for example, hear renewed talk of an ‘implementation phase’, justified in terms of the need to put in place, rather than negotiate, new trading arrangements. It is at least conceivable that the phrase ‘Get Brexit Done’ may ring more than a little hollow a year from now.

There seems little reason to suspect that the EU would reject a request for an extension. However, were such a request to come after the 30 June deadline, this might pose an insuperable legal problem on the EU side. The current Withdrawal Agreement sets out an apparently firm deadline. Politically, the EU will have no desire for an abrupt disruption to EU-UK trade so may be prepared to stretch its own law and principles if necessary. On the other hand, this cannot be taken for granted, and EU leaders may conclude that it is simply not worth making the effort for the sake of the rather thin trade agreement that will be at stake (see next section).

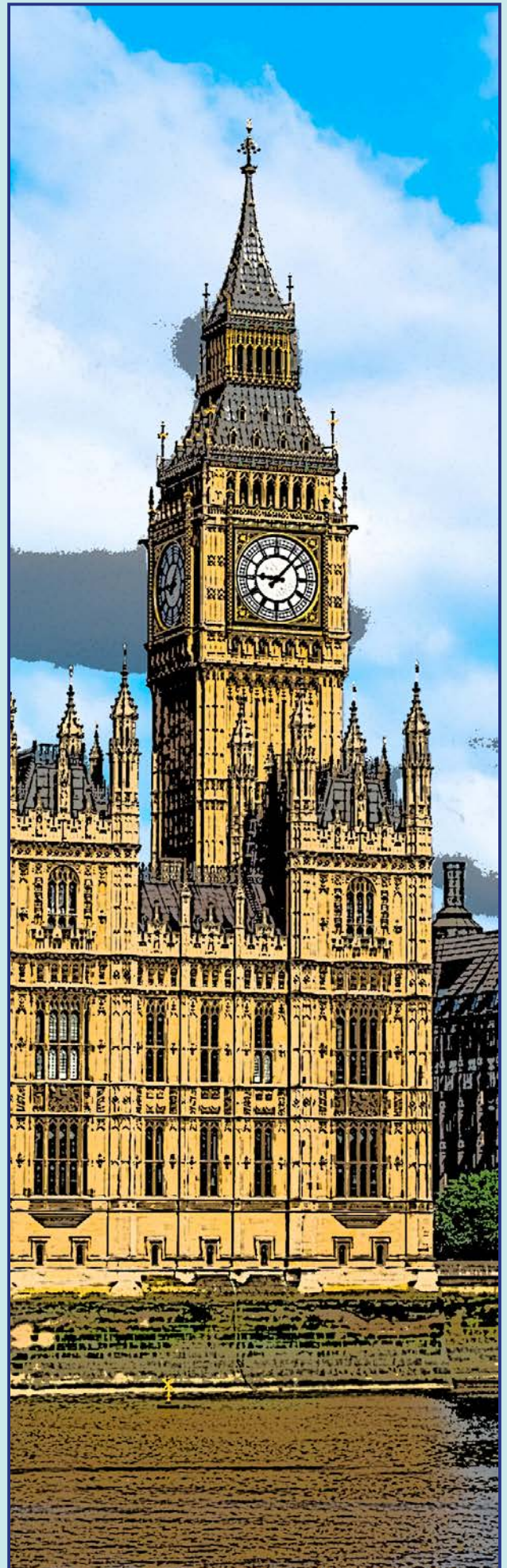
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The Conservative position is at least clear: get Brexit done. The Liberal Democrats are equally unambiguous as to their ambition: get Brexit undone (see below). The Labour position, by contrast, is less clear cut. Moreover, unlike the other large British parties, they relegate Brexit to the second half of their manifesto. Their offer of a 'final say' referendum on Brexit (the same wording used by Plaid Cymru in their manifesto) is sandwiched between sections on 'constitutional issues' and 'a new internationalism'. The second paragraph of the Labour manifesto explicitly states that this is not merely a 'Brexit election'.

Labour rule out 'no deal.' They also promise to rip up what they describe as the 'deeply flawed deal negotiated by Boris Johnson'. In its place, the party offers to secure a new Brexit deal and to put its revised deal back to voters in a 'legally binding' referendum against an option to remain in the EU. Consequently, Labour is promising a new Withdrawal Agreement and Referendum Bill 'providing the legal basis to conduct and implement the outcome of the referendum'. This referendum would take place in the first six months of a Labour government.

Labour's proposed timing is demanding to say the least. The party is promising to sort Brexit within six months. Yet the Constitution Unit has estimated that it takes around 22 weeks for Parliament to legislate for a referendum and for all the formalities to be pursued. Even if Labour could secure a new withdrawal agreement and revised political declaration within three to four weeks (they themselves say it will take three months), it would be pushing up against the six-month deadline. Labour may find itself as much a victim of self-imposed, undeliverable deadlines as the Conservatives.

A further potential problem confronting a Labour government would be that the EU has been clear that negotiations under Article 50 relate only to the divorce issues (citizens' rights, the Northern Ireland border and money). Everything else – alignment with the single market, participation in EU agencies and commitments on security arrangements – is for the future, and will be dealt with under separate legal provisions (Articles 207 or 217 and 218), and only once the UK has left the EU. It seems unlikely that the EU would suddenly change position were a Labour government to get into power. There would, in other words, be no agreed 'deal' on the future to put to the British people, but merely an outline in a revised political declaration, albeit one substantially different to the version negotiated by Boris Johnson.



The sequencing of Labour's proposal means that, in the event of a Leave vote in the referendum, it could be implemented without a further parliamentary vote. It would, however, still leave the final relationship to be negotiated during a (potentially prolonged) transition period. Jeremy Corbyn's neutrality pledge for the referendum seems to be an early indication that he would aim to stay on to do that.



In some ways, the simplest Brexit offer comes from the Liberal Democrats. Their manifesto proclaims their ambition to 'Stop Brexit'. A majority Liberal Democrat government would do that by revoking Article 50. They could do this [unilaterally](#), but that revocation would need to be carried out with an unequivocal and unconditional intention to stay in the EU, and be done in line with UK constitutional requirements. The first would not be a problem for a majority Liberal Democrat government. As for the second, legal experts are divided on whether revocation would also require domestic legislation. If it did, this could make revocation a lengthier process than implied by the first-day email Jo Swinson has suggested she would send to the EU.

Even the Liberal Democrats themselves now seem to accept that they will not form a majority government. Their back-up plan is to 'continue to fight for a people's vote with the option to stay in the EU'. In that referendum, the Lib Dems would 'passionately campaign to keep the UK in the EU'. This places them in the same camp as their fellow members of the Remain Alliance: the Greens and Plaid Cymru. It is worth noting that the Greens also offer a detailed prospectus of how they would seek to reform and influence EU policy should the UK remain within it.

The SNP only fields candidates in constituencies in Scotland, but its dominance of Scottish politics made it the third-largest party in the House of Commons in the last Parliament. Like the Liberal Democrats, the SNP opposes Brexit in all its forms. However, it favours a new EU referendum with Remain on the ballot paper, and supports the revocation of Article 50 without a referendum only if it is the only alternative to a 'no deal' Brexit. It remains unclear whether the SNP would support a referendum on EU membership without reciprocal guarantees of a second independence referendum in Scotland.

Northern Ireland has been central to the first phase of the Brexit process, and Brexit has had a profound impact on Northern Irish politics. The calling of the general election has given new momentum to the smaller parties in Northern Ireland. Sinn Féin and the Democratic Unionist Party (DUP) between them took all but one of the region's 18 Westminster seats in 2017. The DUP were a significant voice in the Brexit debate, using their ten votes to oppose both Theresa May's and Boris Johnson's versions of Brexit, while Sinn Féin stuck with their policy of abstention.

This time, thanks in no small part to Brexit, the centrist Alliance Party, the nationalist Social Democratic and Labour Party (SDLP) and the Ulster Unionist Party (UUP) are all hopeful of gaining at least one seat in this election, and there have been tactical withdrawals by both nationalists and unionists to try to deny the others seats. Apart from Sinn Féin, these parties could conceivably be part of a coalition or confidence-and-supply arrangement with the new government.

Sinn Féin is unique in being a party that stands in elections in both jurisdictions. As such, its primary electoral focus is on government from Dáil Éireann not Westminster. Its policy statements reflect this. And when it comes to future referendums, its energies are focused on a border poll on Irish unification, much more than on a 'People's Vote'. Somewhat incongruously, Sinn Féin is the party least opposed Johnson's deal, seeing the new Protocol on Ireland/Northern Ireland as offering some form of 'special status' for Northern Ireland.

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Sensing some ambiguity in Sinn Féin's position, its nationalist rivals, the SDLP, are presenting this election as the last 'opportunity to stop Brexit'. The party wants to see Article 50 revoked by Westminster, preferably after a second referendum with Remain on the ballot paper. In its overtly pro-Remain stance, the SDLP is at some slight disjuncture with its sister party, the Labour Party.

Also campaigning for a 'People's vote' on Brexit with a remain option is the centrist Alliance Party. It is opposed to Boris Johnson's deal, but if the deal is ratified it will seek a soft Brexit for all the UK and will also seek further mitigations for the region.

The Ulster Unionist Party is another Northern Irish party at odds with its sister party in Britain over Brexit. It briefly formed an alliance with the Conservative Party at the start of this decade. However, it has come out in vehement opposition to Johnson's deal – so much so that its new party leader has announced that the party would support Remain over his deal. The party's argument against the DUP is based on the assertion that they were 'patsies' to a Conservative government which 'betrayed' Northern Ireland.

The Democratic Unionist Party's 12-point plan claims that 'In the last Parliament it was the votes of the DUP that altered the course of events'. Yet despite such influence, the version of the Withdrawal Agreement currently on the table is one that the party has publicly rejected. Now it is demanding that 'The customs and consent arrangements must be revisited and a one-nation approach adopted'. As always, the union of the UK remains the paramount issue for the DUP. Such is the unprecedented nature of the situation, DUP MP Jeffrey Donaldson has not ruled out the party supporting either a second referendum or a Labour government (albeit not under a Corbyn premiership).

It is perhaps quite telling that 15 days from polling day, only one of the parties had published a full manifesto online. Parties in Northern Ireland are confident that they will secure votes on a basis other than detailed awareness of their policies. But in the current circumstances, what those votes might translate into – for Northern Ireland and for the UK as a whole – is far from predictable.



The UK-EU relationship

For all the talk of getting Brexit done, there is far less clarity on what this actually means. Nowhere is this more true than when it comes to the future relationship between the UK and the EU.

If the Conservatives secure a majority, it is fair to assume that they will pass the Withdrawal Agreement Bill and that the UK will leave the EU at the end of January. However, the pledge not to extend transition means a future relationship would need to be negotiated and ratified within a year. Otherwise, the two sides could end up in a situation where only World Trade Organisation rules govern their trade, and without a formal bilateral security relationship.



When it comes to the kind of agreement that might be desirable, there is precious little clarity. The Conservative manifesto focuses on what it will not agree: ‘There will be no political alignment with the EU. We will keep the UK out of the single market, out of any form of customs union, and end the role of the European Court of Justice.’ And, of course, free movement will also end.

This suggests a far looser relationship with the EU than that anticipated by the political declaration negotiated by Theresa May. That document talked about building on the customs arrangement set out in the all-UK backstop and held out the prospect of significant regulatory alignment on goods. Mrs May wanted to explore the possibilities of participating in a range of EU agencies and programmes. In contrast, the only commitment in the 2019 manifesto is to international science collaboration ‘including Horizon’ – but this could only be on the much less favourable terms the EU offers to a [third country](#).

An emphasis on taking back control over laws can be found throughout the document. On the surface, this would seem to rule out a Conservative majority government signing up to the ‘level playing field’ arrangements on environmental and labour standards that the EU has made a precondition for a deep and comprehensive trade deal.

However, while repeating the Vote Leave mantra of taking back control of laws, money, trade policy and immigration, the manifesto does create some potential wiggle room on level playing field issues. It states simply that we will be able to ‘raise standards in areas like workers’ rights, animal welfare, agriculture and the environment’. That could pave the way for accepting ‘non-regression’ clauses—maintaining current standards—or even something more demanding in the future relationship agreement. Similarly, while the Conservatives promise to ‘ensure we are in full control of our fishing waters’, they make no commitments as to what they will do with that control.

Nevertheless, given what could kindly be described as an ambitious timetable, we think the most feasible outcome of any negotiations on the future relationship is a simple free trade agreement, sometimes described as ‘Canada minus’. This might cover only goods, with no or only limited provisions for services. There is more than a little tension between the timetable for negotiations with the EU and the Conservative desire to use trade policy more generally to ‘open up trade in services.’ Negotiations on services tend to be more contentious and thus more time-consuming than for those goods.

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Indeed, even a goods-only deal may be difficult, given that the EU may still demand some level playing field assurances. Moreover, success will require difficult and painful concessions on both sides on politically sensitive issues such as fisheries. And talks could also be complicated by non-trade issues like Gibraltar.

Given the deal struck on Northern Ireland, the commitments to ‘taking back control’ apply fully only to Great Britain. However, the manifesto stresses that the deal ‘takes the whole country out of the EU as one United Kingdom’. Unionists in Northern Ireland may disagree. The manifesto also guarantees the ‘full economic benefits’ of Brexit to Northern Ireland through access to new UK trade deals, with ‘unfettered access to the UK market’ and a promise to ‘maintain and strengthen the integrity of our internal market’.

There is, however, no detail to accompany this and it remains to be seen whether such claims are compatible with the EU’s interpretation of the new arrangements for Northern Ireland. The revised Northern Ireland Protocol did not answer crucial questions over which goods would be subject to checks between Great Britain and Northern Ireland. The task of doing so will fall to the UK-EU Joint Committee during the transition period. It is only at this point that the full extent of divergence will become clear.

Finally, the Conservative manifesto does not contain a single reference to maintaining security co-operation with the EU. This may be an oversight, but the document does make reference to ‘the alliances and institutions that help project our influence and keep us safe’, and none of those listed relates to the EU.

The Conservatives clearly envisage a far more ambitious trade agenda beyond the EU. The stated ambition is to have 80 per cent of UK trade covered by free trade agreements within the next three years, starting with the US, Australia, New Zealand and Japan. These will be negotiated alongside the agreement with the EU.

This is certainly optimistic, not least as the first question prospective partners are likely to ask will relate to the nature of the UK’s relationship with the EU. Moreover, in two key areas of concern to the US—agricultural standards and pharmaceuticals—specific pledges in the Conservative manifesto (to maintain standards on animal welfare and to keep the NHS and drug prices off ‘the table’) will make any deal either harder to reach or more limited in scope. There are also questions about the capacity of the civil service, likely already to be stretched by the EU negotiations, to carry out complex and wide-ranging negotiations with several major partners simultaneously.



Overall, while some new deals are likely, it seems implausible that they will go beyond simple free trade agreements that reduce or eliminate tariffs on goods. However, given the focus of the UK economy is on services, these are unlikely to deliver much in economic terms. The government's own analysis of the economic impact of such deals, even if concluded with a wide range of countries, suggests it will be minimal.

Turning to the Labour Party, its ambitions are very different. The party would seek a new Brexit deal that leads to a much closer economic relationship with the EU. This would involve:

- A permanent and comprehensive UK-wide customs union with the EU.
- Close alignment with the single market.
- Dynamic regulatory alignment in which the UK would automatically follow new EU standards, as Norway does, on workers' rights, consumer rights and environmental protections so that 'UK standards keep pace across Europe as a minimum, allowing the UK to lead the way, not fall behind'.
- Continued participation in EU agencies and funding programmes, including in areas such as the environment, scientific research and culture. There are similarities here with pledges made by the Brexit Party to continue EU grants and subsidies for farmers, fisheries, universities and research bodies.
- A UK-EU Security Treaty, with clear commitments on future security arrangements, including access to the European Arrest Warrant and shared databases.

Are these objectives realistic? The implications of a permanent customs union are that the UK would, at least for goods and agricultural products, be bound by any trade deals which the EU enters into. Consequently, the UK could not do trade deals of its own if it is effectively in the single market and customs union.

Moreover, while the party was at one stage claiming it would secure a 'say' for the UK over EU trade deals, the manifesto states merely that the UK should 'benefit from joint UK-EU trade deals'. It does not explain what it means by 'joint' deals. The EU may be prepared to concede some early consultation, but if Labour wants anything more than that it may be disappointed.

Still more ambiguous is the notion of 'close alignment' with the single market. This could mean something as weak as a limited degree of regulatory alignment, implying significant new non-tariff barriers, especially for services. Alternatively, it might imply something like Norway: membership of the European Economic Area, with full participation in the single market. A third, but less plausible (and more time-consuming) route, is for the UK to seek the sort of multiple bilateral treaty relationship that governs the EU's relationship with Switzerland. But the EU has made it clear how much it dislikes that arrangement.

Moreover, both Norway and Switzerland accept free movement of people, albeit with some limited restrictive provisions not available to EU member states. In its 2017 manifesto, Labour noted that leaving the EU would mean the end of freedom of movement. This time it states that leaving would require negotiation with the EU on migration, and hints that it now could accept that free movement may continue by pointing to the 'huge benefits it has brought'.

A Labour Brexit would leave the economic relationship with the EU broadly similar to now. This is a much 'softer' Brexit than that proposed by the Conservatives. These things, of course, are all relative. The Labour manifesto also has little to say about services trade.

Finally, the Liberal Democrats would simply revoke Article 50, leaving our relationship with the EU as it is now. Beyond that, they have little to say about the UK's place in the global economy.

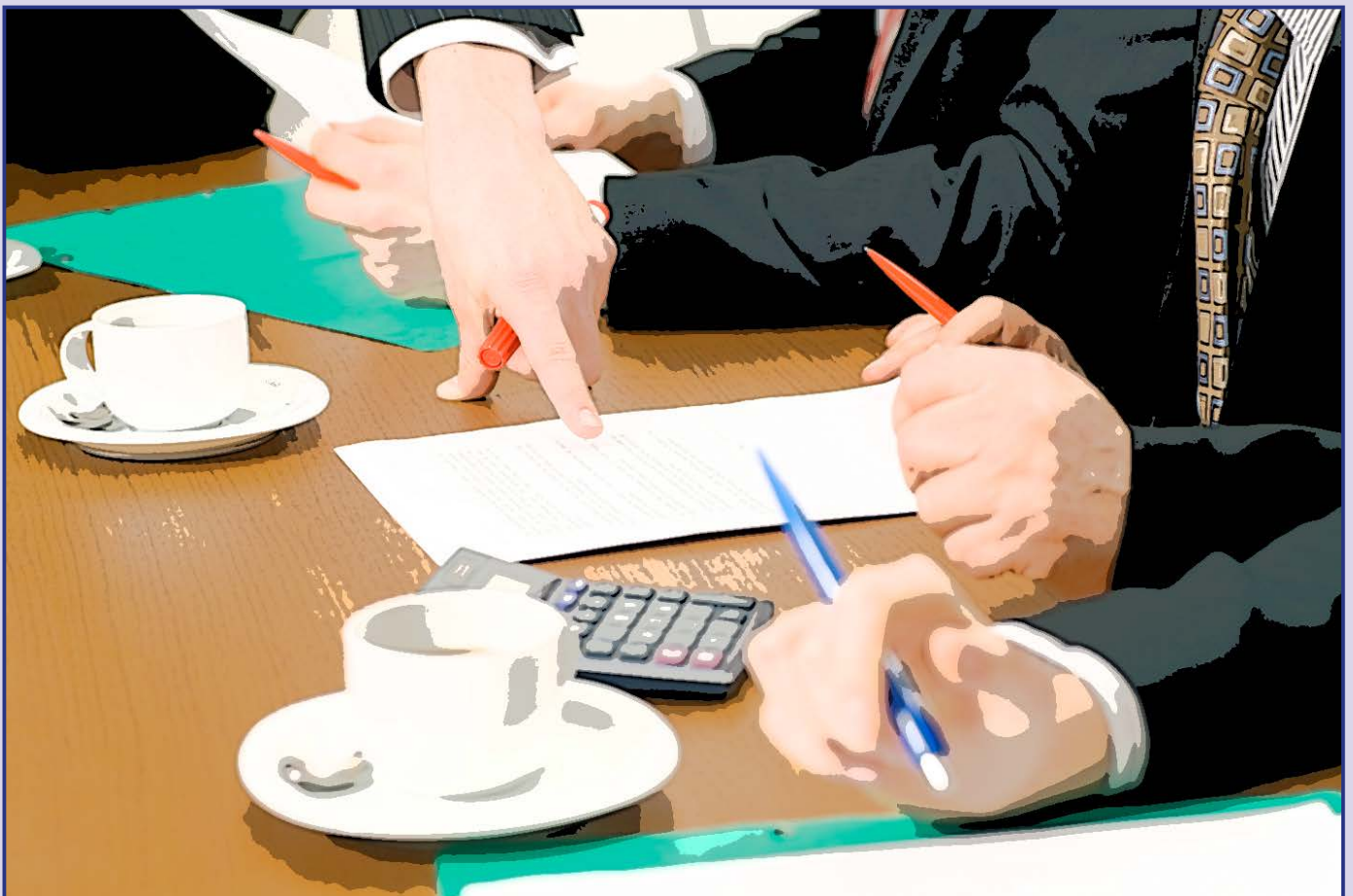
The SNP opposes Brexit in any form. However, in the event it should happen, the party supports the closest possible relationship with Europe for the whole of the UK. The manifesto commits SNP MPs to vote in support

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of continued membership of the single market and the customs union. Similar commitments are made by Plaid Cymru. Each party considers that such an outcome would favour Scotland and Wales whatever their constitutional status.

Scotland also has an 'escape from Brexit' in the form of independence. This issue has taken centre stage in the SNP campaign, at the risk of crowding out its opposition to Brexit. The SNP had favoured a special status arrangement for Scotland, similar to the one secured for Northern Ireland, but the political space for such compromises has since closed.

Finally, there is the question of what role, if any, Parliament would play in the negotiation and ratification of future trade agreements. The Conservative manifesto is silent on this issue. Parliament currently plays a limited role in the ratification of EU trade agreements, having the opportunity merely to delay ratification. Under the terms of Boris Johnson's Withdrawal Agreement Bill, parliament would approve both the mandate for negotiations on the future relationship with the EU and the final treaty. Labour propose introducing legislation 'to ensure transparency and parliamentary scrutiny of trade and investment agreements'. The Liberal Democrats of course hope to remain in the EU and their manifesto makes no mention of Parliament's role in this regard. The SNP and Plaid both propose introducing a devolved veto to allow any of the devolved parliaments to block trade agreements. The Greens propose giving Parliament a vote on all trade and investment agreements.



Migration

Given how central immigration was to the Brexit vote, it is no surprise that the next Parliament is likely to see the biggest shake-up in UK immigration policy in 40 years.

What happens on Brexit will determine what happens on free movement, but any scenario is likely to see major changes, particularly for those migrating for work. There is relatively little controversy on what happens to European Economic Area citizens resident in the UK in the short term, as they are already entitled to apply for 'settled status'. Labour would make this quasi-automatic and not subject to a time limit, removing the risk that large numbers will become 'irregular' in July 2021.

But for future migrants from the European Economic Area, free movement will end at the end of the transition period under Boris Johnson's deal. Moreover, the Conservative commitment to maintaining regulatory flexibility after Brexit, and the accelerated timetable for negotiating a trade deal with the EU, means that there is little prospect that there will be any significant provisions on labour mobility between the UK and the EU in any post-Brexit deal. Leaving aside the political constraints on the UK side, EU trade deals have not in the past included significant provisions relating to immigration, particularly given the complex division of competences between the EU institutions and member states on such issues.

This in turn will enable the Conservatives to keep their promise to introduce a new system that by and large (Irish citizens will remain an exception) treats EU and non-EU migrants similarly. However, describing it, as their manifesto does, as an 'Australian-style points system' is inaccurate. The existing UK system for non-EU migrants has been notionally 'points based' since the late 2000s. Unlike the Australian system, those coming to the UK to work in most cases require a job offer, and the Conservatives do not propose to change that. There will also be special visas for NHS workers and a new, expanded seasonal scheme for agricultural workers. Indeed, in order to meet their promise to increase the number of NHS nurses by 50,000, the Conservatives have set a new target of recruiting 12,500 extra nurses from abroad.

Rhetorically at least, there is little difference between the main British parties when it comes to the shape of this new system. Labour argue that the immigration system 'must allow us to recruit the people we need, and to welcome them and their families. Our work visa system must fill any skills or labour shortages that arise'. The Liberal Democrats want a 'flexible merit-based system'. The SNP supports a continuation of free movement rights, and favours a more liberal system. Its manifesto proposes the devolution of migration powers to develop a Scottish migration system, tailored to distinctive Scottish needs and preferences for population growth. The devolution of migration policy is also supported by Plaid Cymru, allowing Wales to 'set its own migration quota'.

In other words, all parties are promising a new system that responds to the needs of the economy (albeit of the nation they represent), with the Conservatives ditching the Cameron-May target to reduce net migration to the tens of thousands. This reflects an appreciation of the fact that the UK will need migrants. Ending free movement will make that more, not less, difficult and more expensive since all new migrants will be subject to the charges the Home Office imposes.

That we are having such debates reflects the fact that immigration is a less salient issue among the electorate, and that public perceptions of the economic and social impact of immigration on the UK are far more positive than they were at the time of the referendum. This has allowed the injection of a welcome note of realism into the debate as a consequence of which, largely regardless of the election outcome, the system for work-related migration is likely to be considerably less restrictive than that set out as recently as December 2018 by Theresa May.



Under the Conservatives, this new system would apply to all migrants (except Irish citizens). Under the Liberal Democrats, since we would remain in the EU and free movement would continue, it would only apply to those from outside the European Economic Area.

Labour's position is more complex. Their proposed Brexit deal would keep the UK 'closely aligned' with the single market, while free movement – an integral part of the single market – would be the 'subject of negotiations'. In practice, that is likely to mean that free movement, perhaps relabelled, would continue broadly as now, perhaps with some modest restrictions. Switzerland, for example, applies free movement rules but is in principle allowed to restrict eligibility for some vacancies to workers already resident.

Beyond work-related migration, considerable differences remain. Both Labour and the Liberal Democrats (as well as the SNP and the Greens) promise to abolish the 'minimum income requirement' for spouse visas, which prevents lower-earning British nationals from being joined here by their non-EU spouse. They will both, along with the SNP, end the hostile environment, reduce the use of immigration detention, and improve the treatment of asylum seekers and refugees. Taken together, these measures would make the UK considerably more open to non-economic migration than it is now.

Two parties propose machinery of government changes, to change the culture around the administration of migration policy. The Liberal Democrats would remove responsibility for much of immigration policy and delivery from the Home Office. The Greens propose splitting the Home Office into a Ministry of Sanctuary and a Ministry of the Interior.

We do not have enough detail to model the economic impacts of a new, post-Brexit immigration system. However, our analysis suggests that the net effect of removing free movement combined with a relatively liberal approach might reduce net migration by about 35,000 a year while having only a modest negative impact on GDP. Equally, a more restrictive approach along the lines originally proposed by Theresa May could reduce migration by about 55,000 a year and reduce GDP by 1.8% over ten years.

So while in 2017 the UK seemed to be heading towards a much more restrictive regime, this is no longer the case. The net migration target has gone, and – Brexit or no Brexit – both economic and political pressures mean that the new regime is likely to be substantially more liberal than that envisaged by Theresa May.

Brexit, the economy and the public finances

Much has been written on the economic programmes put forward by the main parties. But two things stand out from the manifestos.

First, as Bill Clinton might have said, the era of big government is back. The differences between the parties are now on the pace of expansion of public services and the degree of universalism.

Second, and most relevant to our concerns, the extent to which Brexit—and, by implication the UK's role in the global economy – is a second- or third-order concern for all parties.

Labour promises 'close alignment' with the single market, but there is no attention paid to how that fits with its hugely ambitious plans for the energy sector: wholesale nationalisation and rapid decarbonisation. Neither the potential difficulties in engaging in a programme of wholesale nationalisation, given the EU's rules on state aid and its general approach to the sector, nor the potential synergies with a continent-wide agenda on reducing carbon emissions are discussed. That is not to say that Labour's policies are necessarily incompatible with EU membership, or 'close alignment', just that the question seems to have been ignored.

Perhaps stranger still, while the centrepiece of the Conservative campaign is the pledge to 'Get Brexit Done', there is far more emphasis on the benefits of ending the Brexit-induced 'paralysis' of the last few years than there is on what the party sees as the economic benefits of Brexit. Indeed, the more substantive pledges—that the NHS will not be 'on the table' in any trade deal, that the UK will not roll back environmental or labour regulations, and that there will be special new visas for NHS and seasonal agricultural workers—are directed at eliminating the (real or perceived) downsides of Brexit, rather than taking advantage of the (real or perceived) opportunities.

In other words, as in 2017, the Conservatives and Labour seem determined to ignore the economic significance of Brexit. This is despite the obvious fact that it is likely to be the most important factor determining the path of the British economy in the next five years. Over the next year, the new government will have to take decisions that shape the UK's economic, regulatory and trading relationship with our largest trading partner for the foreseeable future. None of the manifestos, especially that of the party most committed to Brexit, the Conservatives, even pretends to address how this would affect their wider economic strategies and ambitions. The Liberal Democrats are the exception: they trumpet a Brexit dividend flowing from their commitment to stop Brexit.

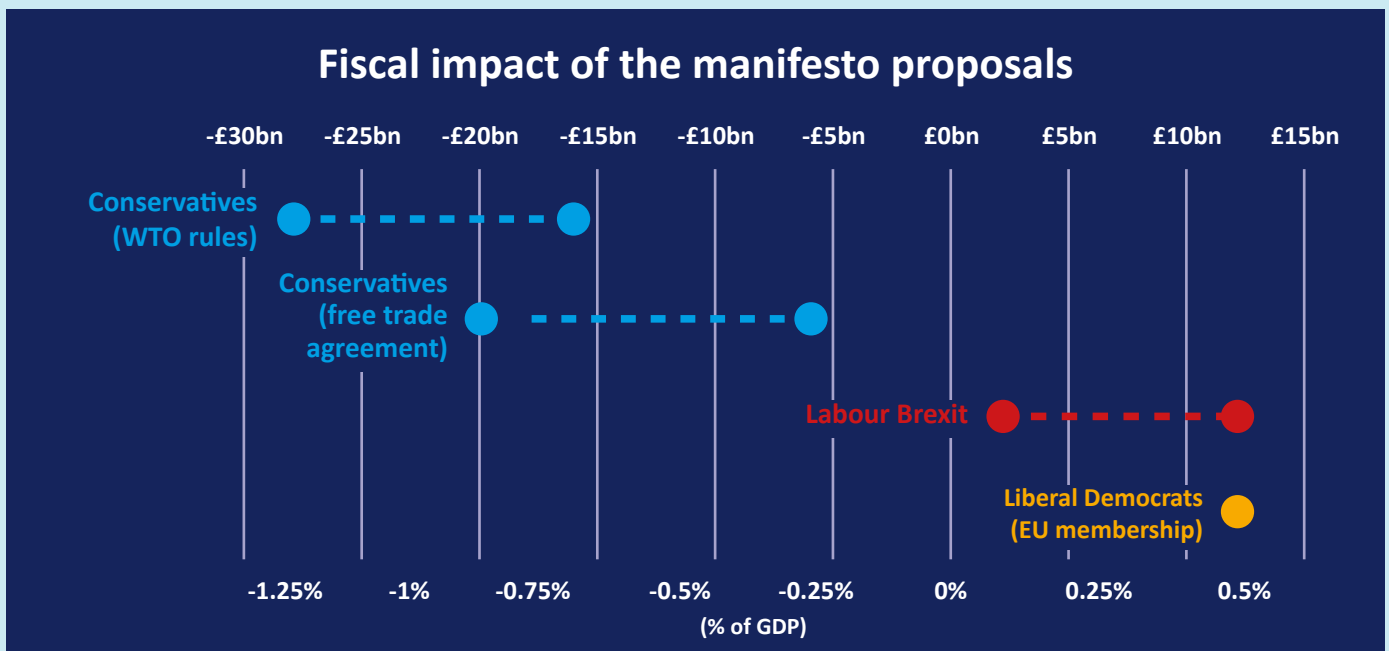
Given their determination to avoid the subject, it is not surprising that the Conservatives and Labour make no attempt to assess how their Brexit plans would affect economic growth and the public finances. Here we present, based on the government's own analysis of the economic and fiscal impacts of Brexit, estimates of the implications of the different parties' Brexit policies.



Economic impact of the manifesto proposals

	Conservatives: free trade agreement	Conservatives: World Trade Organisation rules	Labour Brexit	Liberal Democrats (EU membership)
Catch up growth (% of 'lost' growth)	66	0	80	120
Brexit impact (% of GDP)	-1.7 to -3.2	-3.8	-0.1 to -1	0
Total GDP impact (%)	-1.1 to -2.6	-3.2 to -4.5	-0.2 to +0.7	+1.2
Fiscal impact (% of GDP)	-0.3 to -0.9	-0.7 to -1.2	+0.1 to +0.5	+0.5

This analysis differs in some respects from previous analyses published by the government, the Office for Budget Responsibility and independent analysts (including our earlier report, on Boris Johnson’s Brexit proposal). We set out the assumptions used in the annex below. It is based on the assumption that every 1% GDP loss implies a revenue loss of 0.4% – or a little over £ 9 billion in 2024-5.



Unsurprisingly, and consistent with all previous credible analysis, the Conservative plans have a significantly more negative economic and fiscal impact. We estimate that even a Conservative Brexit that leads to a free trade agreement would lead to an annual fiscal shortfall of at least £6 billion and potentially as much as £20 billion. A World Trade Organisation exit from December 2020 could push that as high as £28 billion. Under any plausible scenario, this would be likely to mean that the Conservatives would violate their own fiscal rule, particularly since these costs would grow over the subsequent Parliament.

The impact of a Labour Brexit would be slightly positive compared to the current forecast assumptions, with – at least over the next Parliament – ‘catch up’ growth largely offsetting the relatively small negative impacts of a much softer Brexit. Under the Liberal Democrats, there would indeed be a ‘Remain bonus’, with our estimate of £12 billion not being that far off the £14 billion the Liberal Democrats themselves estimate.

These estimates may be pessimistic, to the extent that the OBR has already incorporated the impacts of some (relatively benign) Brexit scenarios into its short-term forecasts. However, it has not taken account of the wider effects on industrial structure and productivity that were modelled in the government analysis, which account for most of the long-run impacts.

Equally, they may be optimistic in that we are assuming that resolving uncertainty leads to some recovery of lost growth in all scenarios except in the event of a rapid move to a 'World Trade Organisation Brexit'. In practice, it is easy to imagine, under any party, political scenarios, whether a second referendum or another 'cliff-edge' next December, that lead to an increase, not a reduction, in economic uncertainty.

Overall, while as with any such modelling exercise there is considerable uncertainty, and precise numbers need to be treated with caution, the broad implications are clear: the harder the Brexit, the more difficult already problematic economic and fiscal arithmetic will become for any government. One way or another, this election may 'Get Brexit Done', but the economic impacts will be with us for the next Parliament and beyond.



Annex

Fiscal impacts methodology

We take as our starting point the fact that the Office of Budget Responsibility (OBR) has already incorporated into its forecasts a cumulative hit to growth of approximately 2.4% resulting from the impact of the Brexit vote on business investment and migration. We assume that were the UK to remain in the EU, approximately half of this ‘lost’ growth would return.

The government analysis models the long-term impact of different Brexit scenarios. We assume, broadly in line with the Office for Budget Responsibility’s summary of the existing evidence, that approximately half of this impact materialises over the course of the next Parliament.

We also assume that a Labour Brexit would correspond to the option described in the government’s analysis as the ‘modified White Paper scenario’, which assumes an ongoing customs union, as promised by Labour and relatively few non-tariff barriers, corresponding to Labour’s pledge to negotiate ‘close alignment’ (but not membership) of the single market. Clearly, we cannot be sure of the precise nature of such alignment at this point.

A further assumption is that the negotiation of such a deal, limiting the UK’s divergence from the EU, would result in the return of approximately one-third of the ‘lost’ growth. Of course, if Labour’s policy ultimately resulted in Remain winning in a referendum the economic impact would be identical to that of the Liberal Democrats. If it negotiated a closer relationship with the single market, its Leave deal would be closer in impact to Remain.

And finally we assume that a Conservative Brexit might take one of two forms: either a free trade agreement with the EU, but with little or no regulatory alignment, and substantial non-tariff barriers, or an exit without a trade deal, meaning that trade would occur under World Trade Organisation rules.

Both possibilities were modelled in the government analysis, which also included the positive impact of changes to domestic regulation, and of new trade agreements with third countries, including the US, China and other major trading partners. In the event of a trade deal with the EU, we assume ‘catch-up’ of a quarter of the lost growth.

To model the fiscal impacts, we assume, consistent with previous work, that a reduction in GDP of 1% translates into a reduction in revenues of 0.4% of GDP, worth a little over £9 billion in 2024-25. We also incorporate government estimates of the fiscal impacts resulting from reduced EU contributions and, in some scenarios, increased tariff revenues after Brexit.



What the manifestos pledge on Brexit:

PARTY	Withdrawal Agreement	Political Declaration	Withdrawal Agreement Bill	EU referendum	Future trade relationship with the EU	EU rules	Transition	Timetable	Security co-operation	Future trade policy	Parliament's role in trade deals	EU citizens	Future migration policy	Northern Ireland	Indyref2	PARTY
Conservatives	Pass Withdrawal Agreement	Political Declaration forms basis of future relationship talks	Reintroduce Withdrawal Agreement Bill in December	No	Free trade agreement	No 'political alignment' – outside of the single market and customs union, and ending the role of the European courts	No extension of 'implementation period' beyond 2020	Leave the EU in January and strike a trade deal by end-2020	No mention	Strike trade deals with partners to ensure 80% of UK trade is covered in three years Exclude NHS drug prices and services Protect UK industries from anti-dumping and anti-competitive measures Maintain high levels of environmental, animal welfare & labour standards Open up trade in services Create ten free ports	No mention – but existing draft of Withdrawal Agreement Bill gives Parliament a role in the future UK-EU trade deal	EU Settlement Scheme	Free movement ends 'Australian-style points-based system' for EU and non-EU citizens moving to work 'Bespoke visas' for NHS workers and others No target but aim to reduce net migration	Northern Ireland Protocol in Withdrawal Agreement	Oppose	Conservatives
Labour	Renegotiate Withdrawal Agreement	Renegotiate Political Declaration	Ditch existing bill – introduce a new Withdrawal Agreement and Referendum Bill to reflect 'Labour's deal'	Yes – with a choice between Labour's renegotiated deal and Remain	Continued membership, or a customs union and 'close alignment with the single market'	Membership, or 'dynamic alignment' on worker, consumer and environmental rights (but no mention of state aid), and continued participation in EU agencies and programmes	'Appropriate' transition period	Secure a new Withdrawal Agreement in three months and hold a referendum on it in six months	UK-EU Security Treaty, including access to the European Arrest Warrant and EU databases	Progressive trade strategy, promoting environmental exports Ensure all parts of the NHS are excluded from trade deals Include social chapter in trade agreements Ensure 'highest' environmental and social regulation Link government procurement contracts and arms exports to human rights Reject any trade deal that conflicts with party's climate principles	Introduce legislation to ensure transparency and parliamentary scrutiny of trade and investment agreements	Grant EU citizens automatic right to continue living and working in UK, as well as extending voting rights to all UK residents	EU migration up for negotiation in Labour deal but 'recognise' benefits of free movement Immigration system that fills skills and labour shortages No quotas or targets Abolish minimum income requirement for families End hostile environment More liberal policies on refugees and asylum	No East-West regulatory border or hard North-South border	None in 'early years'	Labour
Liberal Democrats	Ditch Withdrawal Agreement	Ditch Political Declaration	Ditch Withdrawal Agreement Bill	Yes – campaign for Remain, but revoke Article 50 with a majority	EU membership	EU membership	No transition, remain an EU member state	Revoke Article 50 on day one	EU membership	Ensure high environmental and animal welfare standards as part of EU trade deals Refuse to support EU trade agreements, such as with Mercosur, with countries whose policies contradict the Paris Climate Agreement	As under EU membership – negative procedure to delay ratification	Free movement rights under EU membership Extend voting rights to all EU citizens resident for more than five years	'Merit-based system', abolish minimum income requirements for families End hostile environment More liberal policies on refugees and asylum	Existing arrangements under EU membership	Oppose	Liberal Democrats
Scottish National Party	Ditch Withdrawal Agreement	Ditch Political Declaration	Ditch Withdrawal Agreement Bill	Yes – campaign for Remain	EU membership	EU membership	No transition, remain an EU member state	No mention	EU membership	National Health Service Protection Act, to exclude goods and services procurement from investment protection mechanisms Trade deals to require devolved consent Geographical indications on Scottish whisky Insist on zero tariffs for Scotch whisky Oppose US trade deal until new tariffs on Scotch whisky are dropped	Devolved veto	Declaratory system to guarantee EU citizens' right to remain Scrap fees for EU citizens Extend Westminster franchise to EU citizens	Devolution of migration policy Scottish visa route Oppose minimum salary threshold Reduce restrictions on family migration	Existing arrangements under EU membership	Support	Scottish National Party
Plaid Cymru	Ditch Withdrawal Agreement	Ditch Political Declaration	Ditch Withdrawal Agreement Bill	Yes – campaign for Remain	EU membership	EU membership	No transition, remain an EU member state	No mention	EU membership	Uphold social, health and environmental protections Maintain food safety, animal welfare and medicines standards Oppose any attempt to open up NHS to privatisation in future trade deals Exclude Welsh NHS from US trade deal Protections for ecosystems and habitats, such as the Amazon, and indigenous people Geographical indications for Welsh products Strategic trade missions to promote Wales	Devolved consultation and veto	Registration scheme allowing all EU citizens resident in UK before exit day right to permanent residence	Devolution of migration policy Welsh migration quotas Remove international students from net migration targets	Existing arrangements under EU membership	No mention	Plaid Cymru
Green Party	Ditch Withdrawal Agreement	Ditch Political Declaration	Ditch Withdrawal Agreement Bill	Yes – campaign for Remain	EU membership	EU membership, with a plan to reform the functioning and transparency of the EU institutions	No transition, remain an EU member state	No mention	EU membership	Ensure publication of trade negotiation documents Maintain and enhance environmental and food standards, and workers' rights Minimise environmental footprint of trade Subject trade deals to environmental and human rights commitments Protections for ecosystems and habitats, such as the Amazon, and indigenous people Assess development impact of all trade and investment agreements	Vote in Parliament	Automatic settled status Ensure no rolling back of rights in the EU Charter of Fundamental Rights	Reduce migration in the long term by reducing inequalities across Europe Remove minimum income requirements for visas Full workplace rights for migrants Abolish income requirements for family migration Ensure migrants access to public services without fear of immigration enforcement Remove health charges for migrants	Existing arrangements under EU membership*	Support, prior to leaving the EU**	Green Party
Brexit Party***	Ditch Withdrawal Agreement, leave with no deal	Ditch Political Declaration, leave with no deal	Ditch Withdrawal Agreement Bill, leave with no deal	No	'Clean-break Brexit' (presumably trade on World Trade Organisation terms)	Capitalise on absence of EU state aid rules to invest in strategic industries such as steel, railways and defence Maintain subsidies and grants to farmers, fisheries, universities and research bodies Ensure defence procurement contracts go to UK firms	No transition, leave with no deal. Provide 'transitional relief' to key sectors such as automotive	Leave the EU in January	Leave 'European Defence Union'	Reduce tariffs on certain foods, footwear and clothing to zero Create free ports	No mention	No mention	Reduce annual immigration Introduce a 'fair points system' that is 'blind to ethnic origin'	No mention	No mention	Brexit party***

*Green Party Northern Ireland policy.

**Green Party Scotland policy.

***The Brexit Party published a 'Contract with the People' rather than a manifesto.



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