LECTURE

Place policy after Brexit

By Philip Rycroft, with introduction by Michael Kenny
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Introduction

On the 26th of June 2019 I had the privilege of responding to a speech delivered by Philip Rycroft, the very recently retired Permanent Secretary for the UK’s Department for Exiting the EU, at the Royal Society, as part of the annual conference of the Centre for Science and Policy from Cambridge University.

His lecture, ‘Place Policy after Brexit’, spoke to the central concerns of the ESRC-funded ‘Between two Unions’ project based at the Bennett Institute at Cambridge, and our wider programme of work on the challenges associated with place-based public policy. We are delighted to publish his talk in full here.

Measured, thoughtful and comprehensive in its focus, this presentation follows on from his very recent warning about the major risks associated with the pursuit of a No Deal Brexit by the UK’s next Prime Minister. In this talk he shows how the decisions associated with the terms of the UK’s withdrawal from the EU carry profound consequences for our sense of national identity and constitutional future.

A series of interconnected, existential questions lie ahead of us, he argues.

Will the UK continue to advocate for liberal, open, international trade?

Will the established vision of Britain as a diverse, creative and tolerant nation continue to prevail after Brexit?

And how will the domestic union survive the considerable pressures associated with the implementation of the decision to leave the EU?

More generally, he poses the very pertinent, and fraught, question: how will the UK’s political systems and governance cope with the powerful sense of disenfranchisement that was expressed in the vote to leave the EU?

His talk provides an acute analysis of the series of tough decisions that lie ahead, and of the profound questions about who we are and what still unites the peoples and nations of the UK, as we prepare for the turbulent period that lies ahead of us.

His conclusion is salutary and immensely important: "Like the outcome or not, those dissatisfactions will have to be dealt with if we are to mend the divisions within the country."

Michael Kenny, Director, Bennett Institute for Public Policy
July, 2019
Place policy after Brexit

Lecture by Philip Rycroft, delivered 26 June 2019 at the annual conference of the Centre for Science and Policy held at the Royal Society, London.

Place policy might not be top of mind when thinking about Brexit. We’re not even out yet. There are plenty of apparently more proximate issues on the road ahead: who will lead us there; what sort of Brexit will it be; will there be another referendum; what will the priorities be in the phase II negotiations?

But seeing Brexit through the lens of place is a useful way of discerning some of the challenges that might lie ahead.

The process of Brexit is unsettling so many certainties. It is part symptom and part cause of a reorientation of political identity. That has profound implications for our sense of place.

In this brief provocation, designed to stimulate thinking and debate rather than attempt definitive answers, I will look at Brexit and place issues at three levels:

- firstly, the UK in the world; what sort of place will we aspire to be post-Brexit in the eyes of the wider world? What sort of image will the UK project? How will we hold ourselves as a country as we navigate a post-Brexit future?
- secondly, the UK as a multi-nation state; how will the UK itself cohere post-Brexit? What does Brexit portend for the functioning of the devolution settlements, of the relationships between the four governments of the UK, relationships which are anyway in a state of flux?
- and thirdly, place and identity at a more local level; if Brexit was in part at least a symptom of discontent, of disconnection, how does that relate to a sense of local place and what does that tell us about policy for local place in a post-Brexit world?

This will all pose some complex challenges for policy makers right the way across government. But resolution will not come solely through a policy process; there are substantive political choices to be made about how we reconceive our sense of place. This has deep implications for us all. How we address these issues will be determinative of how the UK is seen in the world, how the UK functions itself as a Union; and the nature of the governance process and its relationship to place.

The form that Brexit takes will be important. An abrupt no deal Brexit will pose these challenges with far greater immediacy and insistency than a more orderly exit, negotiated over time after the successful ratification of a Withdrawal Agreement. A no deal Brexit risks further polarising opinion, making resolution and the finding of a stable resting place that much tougher; the fabric of the United Kingdom would be truly stretched.
Nor do these questions vanish if there is no Brexit. There can be no return to the status quo ante. The Brexit process thus far has begged these questions; whatever the course ahead, they need answered.

**UK place in world**

Firstly, the UK in the world.

At the point of Brexit, the change on the face of it is straightforward. In EU terms, the UK stops being a member state and becomes a third country. The UK takes, or re-takes, its own personality in international fora where previously represented by the EU. The UK will strike its own trade deals. The most important trade deal will be with the EU itself. There will be a close relationship between that trade deal and the scope and extent of trade deals with other countries, but the choices of what to bid for and how will now be for the UK to determine itself.

The working through of this change will not be straightforward. From it will emerge a new orientation for the UK in the world, a new positioning, a new sense of how others see the UK as a place.

Some of this is deeply practical. As a third country and out of the institutions, the way in which the UK influences opinion in Brussels will look and feel very different. The need to influence will remain. Under any circumstance, the rules made in Brussels will remain determinative for British businesses that want to do business in the EU. The holding of the EU in foreign, defence and security matters will be a critical influence on UK policy. Other countries of course have long practice of influencing the EU as third countries. We will have to learn from them and there is no reason why we should not do so successfully. The UK Permanent Representation will become the UK Mission to the EU. This will require no less resource than now, probably more. It will mean a new orientation; lobbying from outside the institutions is very different business to influencing from within, requiring a different approach and different skills.

The UK becomes its own voice again in international fora where previously represented by the EU, notably the World Trade Organisation, but also the other international organisations where competence rested with the EU, rather than member states, whether concerned with fisheries, environment, international standards or any of the other cogs that make the international order tick. How will the UK position itself in these organisations? The working, largely unquestioned, assumption is that the UK will remain an advocate for a liberal, open international trading order. But with the unprecedented challenges to that order, and the emergence of what looks a newly orientated great power world, can we take such a position for granted? There will be choices to be made and those choices will have economic and reputational impact. The Huawei affair is a straw in a wind that will blow much stronger in the years ahead.

Such choices will be mirrored in the bilateral relationships that the UK seeks to build, not least in its trading relationships. Some things in this world are binary; will the UK adopt the phyto-sanitary standards of the EU in order to preserve to the greatest extent possible the existing pattern of trade or will it accept US standards in order to facilitate a thorough-going trade deal with the US? With a finite deck, where will the UK place its trade negotiating cards?

These choices run deeper than just questions of trading or economic advantage. The UK is bringing home the tough decisions that for 40 years were handled in an EU context. Arguments
about tariff policy, particularly in relation to agricultural products, are so visceral precisely because of the extra baggage they carry, about the protection of rural communities and rural ways of life, about the landscape and the ethics of livestock farming, about the balance between producer and consumer interests. For the historically minded, look to the passionate debate about the repeal of the Corn Laws in the 1840s. This conflict of ideas was not been just about economic positioning and trade policy; it became a moral issue, a question of the sort of place the emerging industrial power that was the UK would seek to be.

The UK’s place in the world, the sort of place the UK is seen to be by others; these things will be determined by the cumulative impact of decisions taken in all this myriad of international contexts. We are creating our own unique discontinuity, coming out of the most successful free trade arrangement the world has ever seen, a thing never before attempted. And we are doing so just at the time when the international order, seemingly so stable after the collapse of the Soviet Union, faces the threat of its own destabilising discontinuity.

How will the decisions we make cohere in the story we tell about ourselves? It is not so very long since the opening ceremony of the 2012 London Olympics held up a mirror to the country, in which many, if not all, saw a fair reflection of the sort of place we thought we were, emerged from an onerous history to be a slightly quirky, creative, tolerant sort of place, a country that could poke fun at its own self-importance. Arguably, a lot of soft power was built on that self-image, soft power that brings in businesses and tourists as well as influence.

What story will we tell of ourselves in 2020 or 2024? What will be the substance that underpins the marketing gloss of the Great campaign and Global Britain? We have choices to make.

**United Kingdom?**

Brexit is about more than one Union. That has been evident throughout. The argument was made loud and clear in that other referendum, the Scottish one in 2014, that staying in this Union, the United Kingdom, was the only way for Scotland to stay in the other Union, the European one. For Northern Ireland, common Irish and UK membership of the EU has facilitated the finely crafted and balanced compromise that is the Good Friday/Belfast Agreement, by eliding difference and promoting economic integration across a border that still exists, but in day-to-day transactional terms is barely visible.

The voters of Scotland and Northern Ireland duly confirmed that by a majority they took the view that continued membership of the European Union was important to their futures. There is no ducking or weaving round this; that two parts of a four-part Union chose the path that was rejected by the other two cannot but have deep consequence.

The fact of Brexit poses a series of challenges at a practical, as well as an existential, level to the current governance of the United Kingdom. Devolution was conceived and enacted when the UK was already a member of the EU and the assumption was that the UK would remain a member of the EU. Pre-devolution there was little need to worry about the coherence of the UK internal market; for most relevant purposes, the writ of Westminster and Whitehall ran across GB, even if there were some exceptions for Northern Ireland. So long as the UK is a member of the EU, each part of the UK is bound by the same rules that sustain that larger internal market, of the EU as a whole.
But once out, that wider framework falls away. Powers return from Brussels that otherwise sit within devolved competence, notably in agriculture, fisheries and environment, but also in relation to energy, transport, health and justice. Differential exercise of those powers would impact directly on the coherence of the UK internal market, for example if food labelling requirements or subsidies for agricultural production diverged.

Hence the work between the UK Government and the Scottish and Welsh Governments, with the support of the Northern Ireland Civil Service, to establish so-called common frameworks, mutually agreed solutions to ensure that the way these policy areas are managed into the future does not have an adverse impact on the UK internal market.

That work has not been without political controversy; the issue of control of these returning powers was the ostensible reason why the Scottish Parliament refused a legislative consent motion for the 2018 Withdrawal Act. While good progress has been made subsequently to establish common frameworks, all this represents a very significant shift in the way devolved powers will interact with the competences of the UK Government. Simply put, there will be a big increase in the policy domains in which the four governments will have to work together, where power will be shared, not held exclusively.

Why is this such a big change? Up until the Scotland Act 2016 and the Wales Act 2017, on a rough rule of thumb, the respective remits of the UK Government and the devolved governments did not much overlap. The quality of the education of my boys at North Berwick High School was of little concern to the citizens of Berwick-upon-Tweed; my redress for any failings was ultimately to the Scottish Parliament. Westminster had (and has) no role. But the exercise of fishing policy or of agricultural subsidies by the Scottish Government is of direct concern to the citizens of Berwick-upon-Tweed, or at least their rural neighbours. They sell their lambs into the same market; differential subsidy rates would give farmers one side of the border or the other a direct competitive advantage.

The Scotland Act 2016 on tax and benefits, and the Wales Act of 2017 on tax, have already led to a big increase in the policy domains where cooperation between the devolved governments and the UK government is essential for the competent management of policy. The return of powers from Brussels further expands the scope of shared powers. On a day-to-day basis, there is no reason why these practical issues cannot be sorted out collaboratively between the respective governments. But the requirement for increased agreement across a whole lot of new territory increases the scope for friction. It will put new pressure on a system of inter-governmental relations that was devised for a very different era, when Labour was in power in Westminster and led governments in Scotland and Wales. How will the structures of inter-governmental relations, and the making of policy in Whitehall, respond to the hard reality of this shared power, where failure to be seen to respect the interests of Scotland, Wales and Northern Ireland will prompt a noisy and vigorous response?

The handling of common frameworks is a matter for all four parts of the UK. There is in addition the stack of issues that arise in the context of the Northern Ireland – Ireland border and relations more generally in the Irish context, both north – south and east – west. Whatever emerges from the Brexit process will require consequent adjustment to the way in which relations are handled across these islands. Few wish to unwind the Good Friday/Belfast
Agreement; sustaining the benefits that have flowed from it in a post-Brexit world will require subtlety and foresight.

Above the practical issues that arise from Brexit there loom the larger questions about the United Kingdom as ... a United Kingdom. For many in Scotland, Wales and Northern Ireland, Brexit will at minimum give pause for thought about the relationship between the four parts of the UK and between each part of the UK and the EU.

Brexit is further fracturing the political order. For people in Scotland, the UK that people voted to remain in back in 2014 is changing. For people in Northern Ireland, Brexit challenges the assumptions about north – south and east – west relations that underpinned the Good Friday/Belfast Agreement. The polls on support for independence in Scotland and for a border poll in Northern Ireland have not shown decisive shifts to date. But how will opinion evolve as the Brexit process grinds on? Is uncertainty and change a reason to stick with what we have? Or does the impact of Brexit, particularly a no deal Brexit, de-risk the proposition for further, irrevocable change to the ordering of the constituent parts that currently make up the United Kingdom?

Meanwhile, opinion in England towards the Union is shifting too. YouGov polling of Conservative party members on 19 June this year revealed that 63% of them would rather Scotland left the UK than Brexit not take place, 59% likewise for Northern Ireland, though only 39% would risk a Corbyn government in exchange for Brexit. This is mirrored in other work on leaver attitudes more generally to Brexit and the future of the UK. Some of this may be a reflection of general discontent with the pace of progress towards Brexit, but it is striking nevertheless. It reinforces the sense that Brexit is largely been driven by English attitudes and those English attitudes place as much if not more weight on getting out of the EU than preserving the United Kingdom.

This is more than a little unsettling. What price this Union? It seems clear that this and any future UK Government is going to have to devote considerable time and effort to reworking its policy towards the Union, if it wishes to persuade the majority of people in Scotland, Wales and Northern Ireland that their long term future is best within the UK. At root, this will mean demonstrating, consistently and vividly, that the Union continues to work for all its parts.

And what about England in this shifting context? The introduction of English Votes for English Laws by the Cameron Government gave a voice for the first time in a post-devolution world to specifically English political opinion, but the impact of EVEL has so far been minimal. Will that be enough? Plotting a more robust path toward a distinctive English polity is made notoriously difficult by the asymmetry of the component parts of the UK. But can the English view of their place in the Union be satisfied for long solely by the thin gruel of EVEL?

Local place

The UK in the world, the UK as a United Kingdom; both are definitional in our personal sense of place, where we belong and how we relate to the greater whole. But the place challenge of Brexit does not stop there.

The geography of Brexit revealed some sharp differences across the country, most clearly in England where the choice of whether to vote leave or remain was not layered over with that
other major identity question, whether to remain in the UK or not. Place clearly mattered in the referendum. If you lived in a big city or a university town, you were more likely to vote remain. If you lived in the suburbs, in a seaside town or the countryside you were more likely to vote leave.

This is clearly not geographically deterministic; it isn’t the sea air that makes you bracingly Eurosceptic. Social geography is the better explanation, the demographic mix of a place – age, ethnicity, education, employment. But that social geography in turn influences people’s sense of place, of where they live and how where they live relates to other parts of the country. Brexit revealed stark divisions. Those divisions seem to get more polarised as the debate grinds on, with most people now identifying more as leave or remain than for any particular political party.

Whatever the outcome of the Brexit process, the divisions made manifest by the referendum must surely be addressed. Indeed, at one level, Brexit obliges a reappraisal. The UK will no longer participate in the structural funds, nor in the Common Agricultural or Fisheries Policies, instruments in their different ways through which the EU sought to bring extra support and opportunity to the more economically disadvantaged parts of the EU.

Untrammeled by rules designed for 28 member states, the UK will be free to deploy whatever resource it puts into regional policy in whatever way it sees fit. So the question will be asked anyway, but should be asked with greater insistence, given the divisions that the Brexit debate so sharply made manifest. How much should the country spend on these policies and regional development support more generally? What about the distribution of infrastructure and other government spending? What is the right redistributive equation to address the evident disequilibrium between different parts of the UK? How will this work with the devolution settlements? How will any mechanism of regional support respond to the economic restructuring that will be consequent on the UK’s exit from the EU, as supply chains adjust to the new realities of whatever economic relationship we build with the EU and with the rest of the world?

But is that enough? If the Brexit debate was much about identity in relation to our European neighbours, how does that relate to identity at a more local level? Many would see in the Brexit debate an expression of disenfranchisement from the political process, an anger at the way in which some places felt they had been left behind. That is an issue that goes beyond regional policy. More money spent locally does not necessarily help reconnect communities to the wider world if it is someone else taking all the decisions on the how that money is spent.

So a final challenge. As we reorient ourselves to a post-Brexit world, what should the response be to people’s sense of local place and local identity and the articulation of that through the political process? Disenfranchisement can only be addressed through enfranchisement. Devolution is part of the answer for Scotland, Wales and Northern Ireland, though for each the question repeats at a more local level.

For England, through the experimentation of the coalition government and since with local enterprise partnerships, city deals and metro-mayors, is there a form of devolution emerging in England which actually coheres with local and regional identities? Where does local government fit into the mix? All this feels very messy and certainly asymmetric; there no
ordered pattern here. But is that not reflective of the messiness of history? Local identities endure far more robustly than the bureaucratic mind would perhaps like. If we allow the messiness, but embue differentiated structures of local and regional governance with real power, would that do something to reconnect people and communities with the political and policy process, in a way that would do something at least to address the discontents expressed in the Brexit process and knit together a divided nation?

**Conclusion**

This short piece is designed as a provocation, an invitation to think about some of the consequences of Brexit to our sense of place. I contend that Brexit challenges this at three levels, the UK in the world, the UK as a Union and at the local level. Brexit has emerged in part out of a sense of dislocation at each of those levels, an expression of dissatisfaction at the ordering of the world and the place of the individual within it. Like the outcome or not, those dissatisfactions will have to be dealt with if we are to mend the divisions within the country.

And like the outcome or not, the challenge of place and of identity cannot stop at the point of exit, whenever that might come. In a very profound way, Brexit will oblige us to think very hard about ourselves, our place in the world and how we hold ourselves as a country. Our sense of social cohesion, indeed the very cohesion of the United Kingdom, will depend on it.