



Brexit Deal: What Lies Ahead?

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After months of negotiation, **the United Kingdom(UK) and European Union(EU) have come up with a draft withdrawal agreement.** To buy more time, both have agreed on a **21-month "transition" period to smooth the way towards post-Brexit relations.**

However, Eurosceptics in Theresa May's (British P.M) own Conservative Party and opposition lawmakers expressed dissatisfaction over the way deal has evolved. It is now up to the UK parliament and EU member states to each ratify the agreement, before Brexit day next March.

Withdrawal Agreement and Transition Period

- **The UK and EU are currently finalizing a withdrawal agreement**—the draft text was agreed by UK and EU negotiators in November 2018.
- A key part of the withdrawal agreement is, **there will be a transition period, until the end of 2020.**
- This agreement sets out the exact terms of the UK and EU relationship immediately after exit- **but it is not clear, on what terms the UK and EU's future relationship will be.**
- Rather, it is a transitional arrangement, designed to make the separation process smoother. **It covers things like trade, law, and immigration.**
- **During the transition, the UK will be officially out of the EU and not be represented on EU bodies, but would still have the same obligations as an EU member.** That includes remaining in the EU customs union and the single market, contributing to the EU's budget, and following EU law.

Why Transition Period?

- The main reason for the transition period is that the UK and EU don't think they have enough time to agree to all the terms of their future relationship by 29 March 2019.
- The transition period is designed to give them more time to iron out all the details of their future relationship, including a possible free trade deal.

- **So, withdrawal agreement could be signed soon and will come into effect on 29 March 2019. That leads to a transition period until the end of 2020, and from 2021 the UK and EU enter a new relationship, possibly underpinned by a free trade deal.**

Present Scenario

- After a long arduous journey, **the UK Cabinet has accepted the draft withdrawal agreement along with EU. Now the UK Parliament would vote on the contents of the agreement.**
- It was a difficult agreement, nonetheless, a middle ground was found to appease some of the stakeholders in the deal. However, the deal has faced criticism in the UK.
- **The ruling government may even have to face no-confidence motion over this.** The opposition has called the draft a huge and a damaging failure.
- There are many elements in the draft that have raised many eyebrows. However, the most contentious of them is the border settlement between the Northern Ireland and Ireland.
- Besides the UK parliament, the draft deal has to be finalized by the EU Parliament before it is finalized. In the negotiation process, the EU would engage in a hard bargain so as to minimize the aftershocks of Brexit.
- **The EU members have denied renegotiating the draft Brexit deal.**

Effect of BREXIT on the EU

- **Brexit will weaken those forces in the EU that favour greater integration.** It has been a long difficult task to bring together warring nations who were up against each other's throat in not one but two world wars. Brexit will strengthen the claim of countries like Greece and Spain which want greater autonomy in their internal functioning.
- **An impending fear of greater German dominance would be a reality.** Britain's presence somewhat balanced the power of Germany. With Brexit, Germany would become the vortex around whom everything would revolve.
- **The Brexit is termed as a major ideological shift, characterized by strong immigration laws, strict borders, and inward-looking economy.** This is against the major strain of globalization. Its effect might be far-reaching.
- While the trade impact of Brexit on the UK is likely to be significantly negative, its impact on the EU is also expected to be negative, but small. The UK and the EU would become each other's biggest trading partner but some member states, notably Belgium, Cyprus, Ireland, Germany, and the Netherlands, are more exposed to a Brexit-induced economic shock.

Way Forward

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- Experts believe that if the draft gets turned down by the UK parliament, then it would pose a huge economic burden on the UK. A stopgap approach would disturb the fabric that has stood strong since the Second World War.
 - **Most experts believe that there should be a second referendum. The first referendum was based on lies, deceit, and misinformation.**