

## What next for Brexit as lawmakers reject May's deal (again)

Another loss for UK Prime Minister May means lawmakers are likely to push for a delay to the 29 March deadline. But ultimately, Parliament will still need to make a decision on which Brexit option to pursue. We wouldn't rule out a third meaningful vote in coming weeks, but in the end, we still think a softer Brexit has the highest chance of prevailing



Theresa May, UK Prime Minister

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After another whirlwind day in Westminster, UK Prime Minister Theresa May has been defeated on her Brexit deal for the second time. [Despite securing a series of legal reassurances from Brussels on Monday](#), these were not enough for the Attorney General to change his legal advice on the UK's ability to exit the contentious Irish backstop in future. That meant that many Democratic Unionist lawmakers (DUP) and pro-Brexit Conservatives decided not to back the deal for the second time, and in the end the government lost by almost 150 votes.

## One way or another, an extension to the Article 50 period looks likely

So what next? Well, now that MPs have rejected May's deal, Parliament is likely to take greater control of the process over the next few days.

On Wednesday, lawmakers will get a say on whether they would prefer a 'no deal' scenario instead. Assuming the answer to that question is a resounding 'no', then that will tee up a vote on Thursday evening on whether to ask the EU for extra time, by applying for an extension to the two-year Article 50 process.

With only a matter of days to go now until 29 March, it seems likely that Parliament will back a delay, but there's still a big question mark over exactly how long it might last. The motion that UK lawmakers will vote upon is likely to specify a shorter time period, although a lot depends on the EU, who don't forget will need to unanimously approve an extension.

In the aftermath of Tuesday's vote, European Council President Tusk reiterated that a decent reason would be needed for doing so. That said, there is a sense that most leaders are fairly open to an extension, although a lot hinges on the European Parliamentary elections due to take place in late-May.

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The EU has said explicitly that a delay beyond then would require the UK to participate, partly because failing to do so could present the logistical headache of being unable to redistribute the UK's seats across the bloc as planned. From the British perspective, holding European elections could also be politically awkward for the major political parties. This could mean that the Conservatives/Labour wouldn't actively campaign, which may raise concerns in Brussels that European elections in Britain could see a strong turnout for anti-EU candidates - a potential headache for EU leaders if Article 50 needs to be extended further.

The upshot is that a shorter, two-to-three month delay seems the more politically palatable option to many on either side of the Channel. However there is a real risk this won't be long enough to break the current impasse, and after all, a delay does not change the fact that Parliament still needs to agree on a favoured Brexit option.

That means a no deal Brexit at the end of the extended Article 50 period remains a risk - and even though Brussels may be open to another delay, with each extension comes the growing risk that EU leaders may eventually lose patience and say no.

## 2 Parliament may also try to force 'indicative votes' on different Brexit options

That said, it's clear that there is an appetite in Parliament to do all it can to avoid a 'no deal' outcome and as the pressure intensifies, focus will inevitably shift to alternative Brexit proposals.

There have previously been suggestions that backbench MPs may at some point try to force the government to hold a series of 'indicative votes' to see whether any individual Brexit strategy commands a majority in Parliament.

The option of a second referendum still lacks support - not least because a number of Labour MPs represent Leave-supporting seats. However, as many (ourselves included) have argued in the past, we suspect some form of soft-Brexit shift could eventually succeed in gaining a narrow majority in the House of Commons. This might resemble the Labour Party's proposal - a permanent customs union - which after all is not ever so far away from the current deal, which contains an all-UK customs union as part of the Irish backstop.

But while that might be true in the end, if MPs successfully request an Article 50 extension this week, some of the heat would inevitably be temporarily taken out of the situation. In other words, if there were to be 'indicative votes' in the next couple of weeks, it may be too soon to discover whether a particular option can gain a majority.

### 3 Third time lucky? Don't rule out another meaningful vote on May's deal

That brings the attention back to the current deal on the table. Following two heavy defeats on Mrs May's deal, it would be difficult for the Prime Minister to have any greater success the third time around.

After all, Brussels has made it pretty clear that Monday's reassurances were as good as it's going to get in terms of concessions. So from a legal perspective, it's hard to see anything coming about that could change minds in Parliament.

But in the end, it will come down to politics and whether or not the risk of 'losing Brexit' is perceived to have risen. After all, those Conservative MPs that did swing behind the deal on Tuesday predominantly did so out of a fear that Brexit was heading towards a softer outcome, or at risk of being cancelled altogether. ERG leader Jacob Rees-Mogg described this as a "phantom risk", but this sentiment may begin to shift over coming days if MPs do back an Article 50 extension and/or push for indicative votes.

If this incentivises a few more Conservative lawmakers to swing behind the deal, then some commentators have suggested that 20-30 Labour MPs might be prepared to make the switch too. These MPs, who represent staunch Leave-supporting areas and as we mentioned above are concerned about the second referendum risk, may be persuaded if looks likely that May's deal has a fighting chance.

That said, Tuesday's 149-vote loss sets the bar seriously high for Theresa May to turn the tables around. We still think the chances of May's deal passing are relatively low - but we certainly wouldn't rule out a third attempt at a meaningful vote over the next couple of weeks.

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