

# Dragoman

## The Future is Not What It Used to Be Rifkind

Sir

Malcolm

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By most reasonable criteria Theresa May and the Conservative Party had a stunning victory in the British General Election. She won the election with the Conservatives, who, being 56 seats in parliament ahead of their nearest rival, and being by far the largest party, are set to remain the Government of the United Kingdom for the next few years.

In Scotland, usually a political graveyard for the Conservative Party, they enjoyed a significant revival winning a substantial number of seats from the Scottish Nationalists, becoming Scotland's main opposition party and relegating Labour, for the first time since 1955, to third place. The Conservative achievement has ensured that the Scottish Nationalists will drop their demand for a second referendum on Scottish independence. The Nationalists were defeated 55-45% in the referendum in 2014. Thanks to this General Election the threat to the very existence of the United Kingdom has now disappeared for the foreseeable future.

Furthermore, Britain's third party, the Liberal Democrats, remain a shadow of their former self, and UKIP, which won over two million votes in 2015, saw its vote collapse without a single MP being elected.

Why then, has Theresa May lost much of her political authority, and why is her survival as Prime Minister being questioned? Politics is a harsh business. When she, unexpectedly, announced the General Election the Conservatives already had an overall majority, although a small one, in the House of Commons. Now they have lost that majority and need to do a deal with a small Northern Ireland party to ensure that they can win votes and get essential legislation through the House of Commons.

The Labour Party, under their far left leader Jeremy Corbyn, lost the election but did far better than anyone, including they themselves, expected. A month ago their very existence as a national party able to win a General Election was the main issue. Now, in terms of morale and credibility, they are riding high, though it remains to be seen whether a reconciliation between their MPs, who are mainly, moderate and centrist and the party members who are a much more left wing will be sustainable.

Theresa May has come under much criticism for fighting a lackluster, uninspiring campaign with manifesto promises which alienated some of her core support. In her first meeting with Tory MPs after the General Election, she accepted full responsibility for calling an unnecessary General Election, which weakened the Government severley rather than strengthening it. "I made this mess", she informed her colleagues " , and I will have to sort it out".

In the immediate aftermath of the General Election, there was considerable speculation that she would be forced to resign as Prime Minister and Party leader. The former Chancellor, George Osborne, whom she had sacked from the Cabinet when she

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became Prime Minister, helpfully described her as a zombie, “one of the walking dead”. There is no doubt that her previous image as a powerful, no-nonsense Prime Minister, has disintegrated. It is proving challenging for her to regain it. She was forced to sack two of her closest aides who had become very unpopular. One of them, Nick Timothy, who sports a dark beard was known as “Rasputin” in the corridors of Westminster such was his reputation.

However, although she has been gravely weakened, it is clear that she is going to continue unchallenged as Prime Minister, for at least the next one or two years. Potential rivals such as Boris Johnson, the Foreign Secretary, and the vast majority of Tory MPs have pledged their support.

They have done so for two reasons; There is no alternative candidate who would command overwhelming backing and with Brexit negotiations being in midstream the British public would be very unimpressed if the Conservative Party became preoccupied with a titanic and divisive struggle to choose a new leader. However, there is another consideration that is saving her. While she was an uninspiring campaigner during the General Election, the next General Election could be four years away. Few would expect her to be wishing another term of office at that time especially as she will be 65.

The most important requirement for the period ahead is not to have a campaigner but for a skilled and experienced Prime Minister leading the Brexit negotiations with the 27 other countries of the European Union. Theresa May was Home Secretary (Britain’s Interior Minister) for six years. It is one of the most compelling and challenging government departments, and there is no doubt that she was a success in that role.

In negotiation she is tough; she is a master of detail. She is head and shoulders above all her Cabinet colleagues both as regards to experience and proven ministerial record. However, that does not mean that she may not have to alter some of her negotiating objectives for the Brexit negotiations. At present, the British Government wants to leave the EU’s internal market and the Customs Union and seek to negotiate a free trade agreement with the EU covering goods and services. All this is supposed to be signed and sealed by 2019 when the UK will leave the EU.

Few believe that this will be possible in the required timescale. Pressure has mounted on the Government to soften its position to avoid British businesses that export to the EU being severely damaged. It is doubtful that the Government will abandon its decision that Britain should leave the EU’s internal market. That would require them to accept that free movement of migrants from the EU to the United Kingdom would continue even after we have left the European Union. That would be unacceptable to Conservative MPs but also to the opposition Labour Party.

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It is still possible that the Government may be forced by Parliament, including many of its own MPs, to accept a Customs Union with the EU. This would ensure that exports to, and imports from, the EU would not only be tariff free but also free from the bureaucratic border controls that would, otherwise, be necessary and which would be a nightmare for many businesses.

Accepting the Customs Union would be controversial as many Conservative MPs want Britain to be able to negotiate its own free trade agreements with the United States, India and other countries around the world. This would not be possible with a Customs Union which requires a common external tariff between its members and other nations. However, a Customs Union for, perhaps, three years as a transitional step might be an acceptable compromise. That would remove the risk of business chaos in 2019 and allow plenty of time to negotiate new arrangements that would enable the United Kingdom to trade both with the EU and the rest of the world in an acceptable way.

The British Government has already conceded that it wants and needs a transition agreement for between 2 and 3 years after we leave the European Union in 2019. This removes much of the pressure for everything to be agreed by March 2019 in order to avoid potential chaos for trading in goods and services between the United Kingdom and the European Union.

A transition period also means that the UK will accept the jurisdiction of the European Court of Justice and pay into the EU Budget for up to three more years than originally anticipated. At the time of writing the UK's residual financial obligations to the EU budget are the most difficult and contentious issue that has to be resolved if negotiations are to move into the final stage of the future overall relationship.

It has been said that politics is the art of the possible. The British Government does not have the same negotiating strength that it had before the General Election, but that should not prove fatal. The European Union exports far more goods to the United Kingdom than does the UK to the EU. As regards services, it is the other way around. It will be these economic realities that will determine the eventual outcome but, as in so many other aspects of international affairs, the politics will also get in the way.

The outcome of the General Election in Britain was unexpectedly exciting. More exciting than the British Government would have wished. Since then one could say that "as one door closes another slams in your face". Unresolved controversy and challenge are, for the time being, dominating Britain's political debate

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***Rt Hon. Sir Malcolm Rifkind KCMG QC** is a former United Kingdom Foreign Secretary and former Chairman of its Intelligence and Security Committee.*