

Britain needs to play it smarter

There is some chatter on the web as to whether Brexit can be parked. Personally I don't see that happening. Call it a hunch but I think the process has taken on a life of its own independent of the politicians and they lack the coherence to influence it in either direction. I can, however, see Brexit transmogrifying into something that is neither Brexit nor EU membership.

The repeal bill process is not an afternoon at the photocopier. It's a major feat of legal engineering and it is going to take years. We can pass certain bills that technically mean we have left but the Brexit limbo could be of such a composition where making the final switchover in various sectors, ending EU supremacy, would be viewed as so destructive that it would go into some sort of review, much like TTIP has, where it exists as a concept but it's not actually going anywhere until it's taken off the shelf and dusted down.

We have heard much about the possibility of an accidental Brexit where we crash out without a deal, but there is also a possibility of "accidental remain" where our lack of direction and inability to agree on anything leaves it hanging in the wind.

The only way I see to avoid this fate is for the government to face the reality that the EEA is the fastest and most practical means of leaving the EU. It doesn't matter if the EEA is suboptimal. It has the singular merit of being out of the EU.

We can quibble until the end of time over the various compromises the UK would have to make but since the advent of

the WTO agreement on Technical Barriers to Trade there is little likelihood of reaching that elusive regulatory sovereignty. That issue we can address later. To my mind it is secondary to ending EU political union.

If we do not want to drift into a Brexit limbo then we need to see some decisive action from the government. All we are seeing right now is dithering, pretending it's all there for the taking when what we're actually doing is reinventing the wheel – and a poor copy at that.

The basic mistake is the belief that the Brexit process itself is the opportunity to do everything all at once. This is a classic misnomer. If anything the Article 50 process is a lengthy admin chore we must go through before we can start looking at systemic reforms. The only safe and sensible way to leave is by reverse engineering our membership and that means the first step has to be quite close to EU membership. It wouldn't even matter if post-Brexit absolutely nothing had changed. What matters is that, having completed Article 50, we would have the power to start changing things on our own schedule.

This is the bit where us leavers need to get real. All of us have a strong dislike of the EU, but we cannot say that everything about economic integration is bad. What matters is that we preserve what is worth keeping and build on it. It would be a grave mistake to sacrifice any European trade in the belief that trading with the rest of the world will compensate. It really won't.

That though, is going to require some adaptation to our ideas. Like it or not, the EU has us over a barrel. As the regional regulatory superpower it does call the shots, and since the EU has a number of other countries hooked into regulatory harmonisation by way of FTAs we are going to find the wiggle room for an independent UK régime will be next to nil.

Ultimately we are going to have to change our attitude to the EU in order to make a success of it. The hostile and confrontational tone is not doing us any good and it's dangerous because we will need the EU's extensive assistance in borrowing their third party cooperation agreements and trade deals. Secondly, since we won't be going all out for regulatory sovereignty, our trade policy will have to be a collaborative and complementary policy to that of the EU.

As we have seen the EU likes to get bogged down in deep and comprehensive bundled deals which take a number of years and very often get tied up in technical detail at the last minute over soft cheeses or formaldehyde content in furniture. Despite this method causing a number of hang-ups for CETA and the demise of TTIP, they don't seem to have learned. There are other ways.

What we can do is look at effects based trade policy. As a foreign policy objective we want to reduce the push factors that drive migration. In order to do that we need to get the poorest countries trading. We are told by Suella Fernandes that Brexit means we can reduce tariffs for Lesser Developed Countries. This fails on three counts in that for a long time the UK will maintain the existing tariff schedules, LDC's already have tariff free access under the Anything But Arms agreement – and finally, it's non-tariff barriers which stand in the way.

Ultimately LDCs struggle to meet stringent standards. Jacob Rees-Mogg and the likes would have it that we can trade away our safety standards but that invites a deluge of counterfeit and dangerous goods. Consumers won't wear it. Our mission is to use our aid budget for technical assistance to ensure that they can meet regulatory requirements for export. Not only does that improve their ability to trade with the UK it gives them access to the European market as well.

Effectively we would be improving access to the single market

for everyone. The benefit to us is the eventual slowdown in migration but also more trade means more opportunities for UK fintech and business services. Something our economy is geared toward in ways that France and Germany are not.

By acting in this way we have no real need to get bogged down in comprehensive bilateral talks as the EU does. What matters is we are enabling trade and paving the way for the EU to forge deals, to which we can be a party. Sector by sector we can improve the viability of African trade at a speed the EU is incapable of.

As much as this approach is in the cooperative spirit, little by little it removes the EU's excuses for excluding poorer countries and in so doing we make allies and friends with countries with whom we cooperate. From there we can forge sectoral alliances to further pressure the EU into liberalisation and perhaps changing its stagnant trade practices.

All of this is quite futile though if we maintain an adversarial attitude to the EU. If we leave the single market we actually surrender an ace in the hole for our trade strategy while also losing the opportunity to expand and enhance it – and wrest it out of EU control. Moving entirely out of the EU sphere leaves us hobbled in Europe and pecking at scraps elsewhere.

I wish I could report otherwise but it's time eurosceptics faced facts. The world got complicated while we were in our EU slumber. The beast we helped create is a power in its own right with its own gravitational pull. What is done cannot be undone. What we can do is leverage our position as an agile free trading country to strengthen the global rules based system and drag the EU out of its protectionist instincts. If we can do that we solve a number of problems not only for the UK but Europe as a whole.

Photo by (Mick Baker)rooster 