

# EFTA might save the day if MPs will read the small print

We have pointed out regularly on this website that, for all its faults as a long-term relationship with the EU, the EEA/EFTA route – whereby the UK remains in the European Economic Area (EEA) by re-joining EFTA, the European Free Trade Association – is a much better short-term arrangement to see us out of the Brexit door than the current proposed “Vassal State” transitional arrangements, particularly as it appears that these will be based on “good faith” rather than a treaty. Since when has the EU ever respected “good faith”?

More on good faith here, but it appears that the initial talking down and misrepresentation of the EEA/EFTA route by David Cameron selectively and inaccurately highlighting the negatives, which were duly repeated parrot-fashion by everyone from Nick Clegg to Nigel Farage for their different reasons has distorted MPs’ perception of what in reality could be a life saver for Mrs May and her government, whilst taking the wind out of the sails of all but the most fanatical remoaners.

This option has been brought into focus once again by Iceland’s Foreign Minister Guðlaugur Thór Thórðarson. A year ago, speaking on Radio 4’s *Today* programme, he urged the UK to rejoin EFTA and this last week, he has intervened in the Brexit debate again, saying that Iceland’s relationship with the EU had been misrepresented in the Brexit debate and allowed more independence than many people realised. “We have the best of both worlds, we can make deals wherever we like, we usually do it through EFTA,” said Thórðarson, adding “We also have bilateral agreements, for example we were the first Western nation to sign a bilateral agreement with China,” adding, “It’s not true we take 80 to 90 percent of [EU’s] *acquis*, we have taken 13.4% since 1994.” Of course, Iceland is

not tied to the Common Fisheries Policy, the Common Agricultural Policy nor to any of the political structures of the EU. As an EFTA country, it is out of the direct reach of the European Court of Justice. If the terms of the EEA agreement are found to be unsatisfactory, the agreement can be ended by simply giving a year's notice.

Given the overlap between free trade agreements signed by the EU and those signed by EFTA, following Iceland and Norway's example would enable trade to continue to flow seamlessly between the UK and EU as well as countries like the USA, Japan, South Korea and Mexico. It would also much reduce the Irish border problem. Some hard brexirteers applauded the suggestion by Yanis Varoufakis, the former Greek finance minister, that Britain should avoid the Article 50 procedure altogether and simply leave. But they overlooked the fact that he suggested that the UK should move instantly to the EEA/EFTA model, pending completion of final negotiations which, he foresaw, could take some years.

At the moment, Mrs May is squeezed between a rock and a hard place. Six out of the 11 members of her "Brexit war cabinet" have stated their opposition to any "customs partnership" while 60 Tory MPs have insisted that they will not support the government if it pursues a "customs partnership" as it would make meaningful trade deals "impossible" and render the Department of International Trade "obsolete". Given that Jacob Rees-Mogg, the leader of these sixty, has stated his willingness to endure 21 months of the proposed "Vassal State" transitional arrangement, it is hard to imagine that using EFTA instead as a transition would lead to widespread revolt. On the other hand, the security offered by EFTA would deprive the hard-core remainiacs of their support on both the Tory and Labour benches. The reasons given, for instance by Dr Sarah Wollaston, for supporting the House of Lords amendment – namely that she was not prepared to "endorse economic ruin" – would no longer apply. There would be no credible reason for

MPs not supporting the EEA/EFTA route unless they were genuinely determined to wreck Brexit. Some of the Lords, according to Lord Lamont, are seeking to do just this. The EFTA route would pull the rug from under their feet, as few MPs would like to be exposed as mere wreckers when there would be no reasonable grounds to justify their behaviour.

This option could well become more attractive given that ever more MPs are starting to speak out against any close customs partnership with the EU. But, if the EEA/EFTA route is necessary at some stage on the way to a final settlement, it looks more tolerable than anything else which is within the bounds of possibility as a transitional arrangement during the few available remaining months of opportunity before the Article 50 notice expires.