

Moving together towards the Brexit door?

What a difference a week can make! This time last week, many of us were frantically pushing our final leaflets through doors, gritting our teeth and hoping that the soundings from grassroots campaigners across the country were going to prove more accurate than the official opinion polls. Now all that is behind us, although the shockwaves of the Brexit vote are still reverberating around the country, the EU and indeed, the whole world.

Some things, however, have not changed. I'm not just referring to the miserable summer weather, which kindly went on hold for a few hours last Friday morning to allow a beautiful sunrise to greet the fantastic result before reverting to type again, but also the dreadful standard of coverage of EU-related events in the mainstream media.

So what is exactly going on in Westminster, Brussels and Whitehall as far as Brexit is concerned?

Firstly, we can be reassured that, in spite of the petition for a second referendum reaching three million signatures and some Labour MPs also coming out in support of this, the Government has accepted the result. **There will be no second referendum.** A new Brexit unit has been set up, headed by Oliver Letwin and both Tory remainers and leavers have come together to look at the best way out. Former Remain MP Sajid Javid spoke for many of his colleagues when he said "We're all Brexiteers now". While distrust of our politicians was a big factor in the "leave" vote, it does seem that the pro-remain Tories are bowing to the inevitable and throwing their weight behind securing a smooth divorce from the EU.

There is no legal requirement for the UK to trigger Article 50

and begin the formal exit process. After all, in law the referendum is actually a consultation only. Obviously, with so much resting on the result, it was never going to be brushed aside or ignored. Already its shockwaves have caused the Prime Minister to resign and the UK's Commissioner Lord Hill, has made his departure. **It is a case of when rather than if.** Although no formal talks are taking place with EU officials, both sides appear to be preparing for the process to begin at some point in the not-too-distant future.

The lack of any coherent exit strategy by the leaders of Vote.leave has not helped calm jittery nerves in this immediate post-referendum period. We were concerned before the referendum that the failure by the official campaign to spell out their vision for a post-Brexit UK could lose us the vote. Thankfully, this didn't happen, but with the Government not expecting to lose and therefore having made little preparation either, it has led to something of a vacuum.

It is perhaps ironic that more pragmatic former Tory Remainers are starting to line up alongside the Leave Alliance (of which CIB is a member) in recognising that withdrawal is a process rather than an event and in the interim, we must retain access to the Single Market. Support for the "Norway Option" or EEA/EFTA as it is better known, is therefore growing among our former opponents. Hopefully they will get up to speed quickly and realise that it is not a suitable long-term relationship with the EU for an independent UK. We can do better, but first, we need to get out smoothly.

For some 38% of leave voters, immigration was the big issue and there is a feeling among some leave supporters that any deal which allowed unrestricted freedom of movement to continue would mean that their vote was wasted. This, of course, was one reason why most of the big names on the leave side kept their distance from the EEA/EFTA route.

The best way of keeping everyone happy would appear to be what

Richard North calls the Liechtenstein solution. This tiny country has used the provisions of the EEA agreement to restrict migration from the EU for over 20 years. As Dr North puts it, *"The EU has been quite willing to negotiate with one of the three EFTA/EEA states on freedom of movement. Furthermore, they have come to an amicable solution, which has allowed it to secure an amendment to the treaty giving it a permanent opt-out to freedom of movement."* Of course, this won't go far enough for some people, but it seems the best basis for an outline deal. The EU's "four freedoms" remain intact for the 27 member states but we can still access the Single Market while giving ourselves a great deal of wiggle room as far as the emotive issue of migration from the EU is concerned. It is not twisting the rules, as some may fear, but rather, working within the rules.

The 400-plus page document Flexcit has been recently been updated to include more information about Liechtenstein's use of the relevant articles in the EEA agreement.

The leader of another EFTA member, Iceland's President Ólafur Ragnar Grímsson, welcomed the Brexit vote – giving the lie to those claiming that leaders of extremist parties were the only overseas politicians to speak positively of Brexit. In one Brexit debate last month, your author found himself confronted by a claim that we would not be allowed to re-join EFTA. Mr Grímsson's statement proves the point, which I made at the time, that such claims are pure hogwash.

Two other issues are worth mentioning briefly. Firstly, Scotland will have to leave the EU along with the rest of the UK. Spain's Mariano Rajoy, concerned about the possible secession of Catalonia, was quite adamant about this. This does not rule out Scotland applying to re-join the EU if it votes to secede from the UK in a future referendum, but that is another issue. Secondly, the damage being done by the Brexit vote to both the EU's economy and indeed its general credibility has removed one possible obstacle. While the other

member states regret the result of last week's vote, this piece in *EU Observer* suggests they are resigned to it, want us to get cracking and seem most unlikely to derail the Brexit process.

Of somewhat less significance is the statement by Australia and New Zealand that they wished to make the most of the trade opportunities provided by Brexit. It sounds good and may well be an option to pursue in the longer term, but there is one fundamental problem:- the serious lack of experienced trade negotiators in the UK after 40 years of delegating this job to the EU.

This one issue highlights the sheer complexity of the negotiations which lie ahead of us. There is the possibility that it could go wrong, leaving us worse off financially. We could be bogged down in negotiations for years if things become difficult. The forthcoming Conservative Party leadership campaign therefore assumes a particular importance in this respect. We need a cool-headed Prime Minister who will seek the best deal for our country and lead us safely through the Brexit door.