

Chequers/White Paper Brexit

Will the UK have regained UK Parliamentary sovereignty?

Yes - - formally but with significant restraints. However, as a member of the EU we have a say currently in the making of both the regulations and directives generated by the EU. Our Commissioner represents the UK and is voted in by the European Parliament. Our directly elected Euro MPs to the European Parliament have to approve EU legislation, together with the Commissioners, so we have always exercised influence over EU directives. The UK is a member of many organisations [NATO] which have treaty obligations that can potentially override Parliament's sovereignty. We live in a world of global interdependence both for security and trade and World Trade Organisation operation would require us to abide by rules which would be merely different from the EU. As a trading nation we have to abide by many international rules outside the control of the UK Parliament, so the importance of Parliamentary sovereignty has to be judged in relation to many other relationships.

How will we spend the money we presently pay into the EU?

Each person in UK in 2017 made a net payment of £134 to the EU in 2017. However previous commitments made by UK Governments to the EU budget will need to be honoured and the cost of this will be £622 per person according to the UK's Office for Budget Responsibility. So it's going to take nearly 5 years before we see any Brexit dividend, just on EU related monies. While it is quite true that we shall no longer pay money into the EU, if our economy slows, the money available to the government reduces, unless taxes rise.

How will it affect the NHS?

There will be a period of around 5 years before the Brexit dividend appears. The Government has committed to an annual increase of 3.4% a year to the NHS during this period. This is around £315 per person per year but it isn't clear where this funding is coming from. There is a shortage of 11,500 doctors to meet the 2020 target and in any case 30% of doctors in the UK are foreign. Since the UK voted to leave the EU, there has been a 96% drop in the number of European nurses applying for positions in Britain. Leaving the European Medicines Agency would mean delayed access for the UK to the latest medicines and no part in shaping Europe-wide medical regulations. Concerns are being expressed regarding the availability of drugs and medicines imported into the UK after March 2019. Much will depend on any agreements reached with non-EU countries like the United States. US firms, for example, could insist on access to functions currently reserved to the NHS.

How will it affect your travel to EU countries?

Much will depend on what "taking back control of our borders" really means. At best it could merely mean going through the same passport controls as, for example, US citizens when entering an EU country. At worst it could mean having to apply for a visa. There are also uncertainties over passenger transport. Unless a renewed "freedom of the skies" agreement is reached, UK-based airlines could find it difficult to operate over EU airspace. Coach operators could face similar difficulties.

What is the cost of a Chequers deal for each UK citizen?

There are too many unknowns to make it possible to calculate exactly. What we do know is that last year British households spent £900 more than they earned because of the squeeze on living costs. Studies reported in the FT suggest that every household would be about £1,000 a year worse off due to WTO tariffs. For every 5% the exchange rate falls, household costs will further increase by £380 a year.

How will it affect your food?

30% of the UK's food comes from EU countries. . If the UK continues to accept all EU rules on food safety and labelling, and all veterinary and phytosanitary controls, or if mutual recognition is accepted, there could be little disruption of food supplies. Any disruption, however, could result in shortages and large increases in prices. Supermarkets are suggesting food prices will rise by 12%.

How will it affect farming and fishing?

Farmers now get £3 billion per year from the EU's Common Agricultural Policy. The Government has said that it would match EU subsidies for 3 years and up to possibly 5 years after Brexit. As there is no immediate Brexit dividend presumably this money will come from higher taxes or benefit reductions? Britain exports 75% of its fish catch to the EU which would presumably charge WTO duties on it (there are no duties now) hence hurting fish exports. The quota, access and other agreements with EU and other countries would end. New agreements between the UK and the EU and other countries (e.g. Norway, Iceland) would take time to reach. The UK will be leaving the Common Fisheries Policy, and will therefore control fishing in UK waters. Fish, however, do not recognise territorial divisions, and EU control measures, over which the UK will no longer have a say, will therefore continue to affect stocks. Any post-Brexit agreement to open up the UK market to imports from the US and other third countries would also mean that UK farming would face new, intense competition.

What about immigration?

The numbers of non-EU immigrants has risen in the past year, whereas EU immigration has fallen. Net immigration figures for the UK for 2017 were 220,000 non-EU citizens and of these 170,000 visas for study were issued. 100,000 EU citizens applied to come to the UK. From all of those immigrating 188,000 had a definite job. We need workers to man all sectors of the UK economy from agriculture to health and limiting workers from the EU coming here will throttle the UK economy. We have the lowest unemployment rate of since 1975 at 4.0%, but in many sectors there is already a skills shortage which we cannot fill from our existing labour force.

How will it affect the economy of the UK?

The Government hopes that any loss of trade as a result of leaving the EU can be offset by agreements with other countries like the US and China. However, many of these countries, like Japan and South Korea, already have trade agreements with the EU, and the UK will have to arrange for these to continue applying. Negotiating trade agreements also takes time: seven years in the case of the much-vaunted EU-Canada agreement. A lot will also depend upon what happens to the exchange rate of the Pound. If the markets perceive that the Brexit agreement is a poor one, its parity could fall sharply. Theoretically, this makes UK goods and services more competitive; but experience over the last few years indicates that a substantial boost to exports does not necessarily take place. At the same time the cost of imports rises, leading to a rise in prices.

What about EU laws and British laws?

In formal terms, all laws in force in the UK after Brexit will be the responsibility of the UK Parliament, and their interpretation the responsibility of the UK Supreme Court rather than the EU Court of Justice. In practice much will depend on how far the UK undertakes to apply a "common rule book" with the EU on trade in goods, and "common arrangements" for services. The Government even envisages that the ECJ might still be consulted on certain questions, though without their decisions automatically applying.

What about the US -UK relationship?

Despite President Trump's promises, the chances of a good trade agreement with the US after Brexit do not look promising. When Trump says "America first!" he means it; and the UK would almost certainly have to make substantial concession to US interests to get a deal. At the same time, US protectionism and withdrawal from international agreements threaten the ability of the UK to follow, after Brexit, an "independent international trade policy". The possibility, in the last resort, of falling back on WTO (World Trade Organisation) rules may even cease to exist if the WTO itself collapses following a US withdrawal.

What about security and countering terrorism?

The UK Government, and the Prime Minister in particular, insist that the UK will continue to co-operate with the EU on security matters after Brexit. When Home Secretary she exercised the UK's right to "opt in" to many EU arrangements such as the arrest warrant and the exchange of information. It is not certain, however, that the EU will agree to this, though the input of the UK to anti-terrorism measures is an important one.

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How will this affect your job or your personal finances?

This will depend on whether you work in, or have investments in, manufacturing or services. In the case of goods, the Government hopes to avoid disruption of trade with the EU by avoiding the imposition of tariffs, and keeping in step with EU regulations on product safety, technical standards, etc. In effect, we should still be in the Single Market. In the case of services, however, the government hopes to negotiate “looser” arrangements. For financial services, for example, the objective is the “mutual recognition” of regulations. The EU, however, is currently insisting on “equivalence”, with the EU deciding whether UK regulations are actually “equivalent”. If no agreement is reached, there could be a large shift of jobs from the City of London to Frankfurt, Paris, Luxembourg and Dublin, and a slump in asset values.

How will it affect your rights as a worker?

The Government’s intention is to maintain existing workers’ rights, which would therefore, at least at first, be much the same as those in the EU. There is no guarantee, however, that this would be the case in the future. Much will depend on any agreements reached with non-EU countries like the United States. US firms, for example, could insist on access to functions currently reserved to the NHS.

What are the options?

The Government’s objective is a “bespoke” arrangement with the EU, rather than the application of an existing model. The options on offer from the EU - including continued membership of the Customs Union – are rejected. There are, however, possibilities which could simplify matters. The UK could, for example, re-join the European Free Trade Agreement (EFTA), which would open up arrangements similar to those applying to Switzerland. EFTA membership would also make possible the further step of joining Norway in the European Economic Area (EEA). Norway participates, partially, in the Single Market, but not in the Customs Union, the CAP or the Common Fisheries Policy. It accepts the principle of free movement and makes a contribution to the EU Budget. But it is not subject to rulings of the ECJ; there is an EFTA Court of more limited powers. There is consultation in advance on relevant draft EU laws. There remains, however, the Irish problem. So far no practical solution has emerged beyond the pledge that “there will be no hard border between Northern Ireland and Ireland”.