One more view of the case for a People's Vote

We read daily of what leaving the EU will mean, could mean, might mean, probably mean ….

- The loss of individual rights such as EHIC cards, visa free travel, the Erasmus student exchange programme, pet passports.
- The concerns of businesses about loss of markets, hold ups at borders, impacts to supply chains, more red tape.
- The ability of the NHS to fill its thousands of nursing and clinical vacancies.
- The impact to farmers and growers of a shortage of seasonal workers.
- The loss of participation and influence in the direction of the many agencies that make food, medicines, chemicals and aviation safe.
- The loss of EU grants and access to the many joint projects and programmes that bring the best of Europe together in fields of science and research

But these are not the focus of this short paper. This paper presents just one more view of why there should be a People's Vote on the final deal.

The question put to us on 23rd June 2016 was "should the United Kingdom remain a member of the European Union or leave the European Union"? But what this did not reveal was the several highly significant options about what a post-Brexit UK might entail; options that have not healed the divisions across the country but which have created new ones in Parliament, in business and in many other institutions and organisations.

Eighteen months ago, the Prime Minister told us that she wanted a post-Brexit "deep and special partnership" with the EU. In July, her vision of this manifested itself as the "Chequers" plan, a proposal not only rejected by Mr Barnier as unacceptable "cherry picking" but by many of her own MPs, including some who resigned their ministerial positions in protest.

So, if Chequers will not/cannot fly, what are the other options?

1. The European Economic Area (EEA), which is the basis of the so-called Norway option. While this does not involve being in a Customs Union, which would help resolve the issue of the Ireland land border, it does involve full access to the single market which in turn means accepting freedom of movement as well as all of the rules of the single market without having a say in their making. It also requires monetary contributions towards reducing economic and social disparities in the EEA bloc (31 countries) and towards the EU programmes and agencies in which the country participates. Much of this is anathema to Brexiters.

   In a polite rebuff to Mrs May during her visit to Oslo on 30th October, the Norwegian PM, Erna Solberg, said that the idea of entering an organisation you intended to leave was "a little bit difficult for the rest of us." Don't hold your breath on that one Mrs May.

2. Canada+++: During 2018, the EU and Canada concluded a Comprehensive Economic and Trade Agreement (CETA), which is essentially a free trade agreement (FTA) that has eliminated most tariffs between the two parties, increased tariff free quotas and provided some other benefits such as open bidding for public sector contracts. The EU has offered this to the UK with the pluses meaning more access to the single market in areas which matter to the country such as financial services, aviation and energy. But for unfettered access, the UK would have to make monetary contributions.

Nevertheless, European Council President Donald Tusk has said that such an arrangement would be "much further reaching on trade, internal security and foreign policy cooperation". But how long will such an FTA take to negotiate? CETA took seven years.

It must be remembered that apart from the free trade we have with our nearest neighbours (44% of our exports go to the EU), 36 FTAs agreed between the EU and other countries bring that export figure up to nearer 60%. Once the UK leaves the EU it will not be party to any of these agreements and will have to renegotiate individually just as any other 'third' country. Furthermore, the EU is close to ratifying a new FTA with Japan, the world's third largest economy and more new and significant negotiations are under way, for examplwith the four nation Mercosur group in South America.

3. The World Trade Organisation (WTO) option, the nearest thing to a 'No deal' whereby we trade under WTO rules only, rules which are essentially about tariffs and tariff quotas. But even this is not as straightforward as we have been led to believe. On the 25th October, Reuters signalled from Geneva that Russia and a number of other countries had raised objections to a simple splitting out of UK quotas from the EU total based on past trading patterns as these would be bound to change post-Brexit. The UK would therefore have to begin over again to negotiate new tariff schedules and quotas as an independent WTO member. In consequence, UK negotiators should not be surprised if other countries seek significant advantage for themselves at our expense.

Little or nothing about any of the above was put before the voting public in the pre-referendum campaigning and has only come to the forefront as the real meaning of Brexit has emerged. In any negotiation, be it for new FTAs or new WTO terms, the question has to be asked, can the UK possibly achieve on its own anything that is as good as we have now as a member of the world's largest single free trade bloc.

Earlier this month the Institute for Government published a comprehensive report with the title "Understanding the Economic Impact of Brexit". This report pulled together the predictions of many different organisations and institutions about, amongst other things, the 12-15 year impact to the UK's GDP of the options above. All bar one was negative.

Join the EEA	A new FTA (Canada +++?)	WTO (Effectively a no-deal Brexit)
Forecast to reduce GDP by 1.6%	Forecast to reduce GDP by 4.8%	Forecast to reduce GDP by 7.7%

These cross-departmental government forecasts were shown to Philip Hammond on the Andrew Marr show on Sunday 28th October, the day before the budget. 'Chequers' was added with a big question mark because no such modelling has been done for this option. When asked to comment on these forecasts, the Chancellor's response was that further modelling would be needed once the final deal becomes known while a 'no-deal' scenario would need a revised budget. Note that he did not deny or dismiss the above forecasts.

Taking back control

The 'take back control' mantra is still repeated over and over by the Prime Minister as representing what the people voted for in June 2016. And yet in the light of the options above, the question must be asked about how much control are we really taking back?

We are told that we will no longer be sending ‘vast sums of money’ to the EU every year. Yes, the net 9 billion pounds or thereabouts that we pay for our membership is a big number, but an approximate calculation of this as a percentage of our GDP suggests a figure of no more than 0.5%. Even the lowest of the forecasts above, the 1.6% for EEA membership, is more than three times that figure. Take a look at the back page of your HMRC Annual Tax Summary and you will see a pie chart which shows just how little of our money is paid over for all of the benefits we receive as an EU member state.

In September this year the Report of the Migration Advisory Committee contained significant evidence of the benefits of EU immigration to the UK, most notably that EU immigrants contribute more to the economy than they take out. Rather than making up new rules for immigration, the UK could implement controls already available e.g. ID cards, registration, 3-month rule etc, and which have been implemented in other countries of the EU. Furthermore, disaffection with EU migration policy in other member states has not so much been about single market free movement but about very high levels of non-EU migration.

The third pillar of ‘take back control’, and perhaps the most emotional, is that of sovereignty. Here again both the EU and the UK have failed to dispel the myth that huge numbers of our laws are made by ‘unelected bureaucrats in Brussels’. The democratic co-decision procedure that involves our elected Members of the European Parliament and our Prime Minister has never been properly put before the British public. According to the House of Commons library, about 13% of our laws have been made jointly with our continental neighbours, laws for which the UK government voted over 90% of the time in the period 2004-15.

In conclusion

Voted Leave or Remain or didn’t vote at all, we all deserve to know what Brexit means for our families, our communities and the country. When different factions within Parliament speak of Chequers, the Norway option, Canada+++, the WTO option or being like Switzerland, we need to know what each of these will cost us as a country and individually. We need to know just how much control we will be taking back. We need a balance sheet that in accountancy terms shows the ‘liabilities’ i.e. what we pay for EU membership, the rights that we give to other EU citizens to live, work and study here and the pooling of some sovereignty for the greater good, set against the ‘assets’ those being the myriad benefits of being a member state.

All of this must allow us to make a most basic judgement ……

will any leave scenario be better for us as individuals, for the country than what we have today?

Twenty-eight tortuous months on since the referendum, we the people must now have our say.

One last thought …

The shock of Britain’s vote to leave must of itself have caused a pause for thought within the EU institutions and members states. Disaffection in Greece, Italy, Poland, Hungary to name a few must surely mean that the current status quo cannot be sustained. Would it not be more beneficial for the UK, a wealthy nation with still some considerable (albeit rapidly diminishing) influence, to stay in and help lead the reforms that will ensure even greater security, peace and prosperity in an increasingly dangerous world?

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