

Britain must plan “exit strategy” from failing EU, says think-tank

A new report from independent think-tank **Civitas** reveals that the European Union is damaging Britain's economic recovery and sapping job growth. The report, entitled “Time to Say No”, shows that a break with the EU need not represent a drastic break with Europe itself. Instead, it will permit a pragmatic reform of trade and immigration relations. Existing international institutions can achieve this without the current burdens of bureaucracy in the EU. It will also revive democracy at home.

The report, written by Ian Milne, who was a guest speaker earlier this year at the annual conference of the Campaign for an Independent Britain, argues that the UK must rejoin the 95% of the global population that remain in countries outside the EU, such as the British Commonwealth nations. These countries have far better prospects for growth in the 21st century than many of the tired economies of mainland Europe, says Mr Milne.

“The EU is in long-term structural demographic and economic decline,” writes Mr Milne. “It also costs a fortune to belong to. UK withdrawal would result in the British people rejoining the 95 per cent of the world's population who live in self-governing states and successfully trade with each other-and with the EU-multilaterally.”

The **Civitas** report sets out a timetable for an orderly withdrawal from the EU. It begins in June 2014, following a national referendum on EU membership. After receiving the mandate to return to full sovereignty, the British Government would gradually reduce its contributions to the EU budget over a 24-month period. Milne proposes the temporary creation of a Ministry of EU Transitional Arrangements (META) to manage the process from beginning to end, ensuring that government departments are equipped to take over EU functions.

From June 2014, disputes between the European Court of Justice and British law would be mediated using an international dispute settlement procedure. At the end of the withdrawal process in 2016, British laws based on EU regulations would remain in place but could be repealed at the will of Parliament.

By June 2016, the UK would:

- cease all involvement in the Common Agricultural and Fisheries Policies;
- regain control of immigration policy and be able to secure its borders on its own terms;
- cease to be regulated by EU trading regulations but continue trading with the EU-26 using rules already set down in World Trade Organisation and United Nations agreements and other relevant treaties.

Mr Milne sets out a number of alternative arrangements that would allow Britain to continue to co-operate in trade with the EU but on a more equal footing. They include:

The Norwegian option, under which Britain would remain a member of the European Economic Area (EEA), which provides for an internal European market but does require adherence to some labour laws,

consumer protection and health and safety legislation. Crucially, EEA members make a substantially smaller contribution to European organisations than full EU members. Norway is the 7th most prosperous country per head in the world.

The Swiss option. Switzerland is a member of EFTA but remains outside both the EEA and the EU. By making only bi-lateral trade agreements, it retains full control over all regulations covered by Swiss-EU FTAs, which can be cancelled at any time. Britain could do the same. This is not an inferior trading relationship but merely one that avoids giving excessive powers to Brussels. Switzerland is the 17th most prosperous country per head (the UK ranks 37th).

Unilateral Free Trade and renewed focus on the Commonwealth. The Civitas report explains there is nothing holding Britain back from establishing an ordinary and productive trading relationship with the EU without an explicit treaty. *“On withdrawal,”* writes Mr Milne, *“the EU would continue to trade with the UK. EU-26's biggest single customer worldwide is the EU-26 sells far more to the UK than it imports from the UK. Under Articles 3, 8 and 50 of the Lisbon Treaty, the EU is constitutionally obliged to negotiate 'free and fair trade' with non-EU countries.”*

A looser framework would allow Britain to take the forward-looking approach of establishing closer trade relationships with the Commonwealth, which constitutes a market nine times greater than that of Continental EU.

As a result, says Mr Milne, there is nothing to fear, but a lot to gain, from re-establishing British sovereignty over the United Kingdom.