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Time To Move On with Brexit, says new Politeia publication.

Voters' decision and EU red lines must be respected if both are to prosper after Brexit.

Mutual recognition trade is best for each.

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The battle over how the UK leaves the EU is not just about trade and the economy, says Sheila Lawlor in Politeia's new publication, *Deal, No Deal? The Battle for Britain's Democracy*. For Britain it is battle for her democracy and economic freedom. For the EU it is a fight to defend the EU project, not just as a trading bloc, but as an indivisible whole. If Brexit is to succeed both visions must be respected, and so the government must now move on from Chequers.

At stake for Britain is its tradition of freedom, in which the authority to govern comes from the people. They decide how their country is governed and by whom. Until now, voters' decisions at the ballot box have been accepted by the losing side and executed by the government of the day.

- But after the referendum some MPs, peers and allies in big business broke with that tradition. Setting themselves 'above' the voters, they disregarded the democratic mandate and tried to have the referendum decision set aside, to remain somehow as part of the EU.
- Until last summer, the government seemed to be standing firm against these threats to British democracy, but with the Chequers compromise it capitulated to them. Chequers respects the people's choice to leave the EU in letter, but not in practice. It will keep Britain's goods economy under the EU rulebook. The UK would, in practice be part of the the Single Market.
- Not only does Chequers go against the British democratic decision, it is a bad deal. EU law will dominate swathes of the economy and make the UK unfree and uncompetitive. The UK will be worse off than now - a rule taker without a voice to stand up for British industry. The ability to sign beneficial trade deals with third countries will suffer.

In any case, EU leaders have rejected the Chequers plan. They cannot accept its main features - a UK 'half in half out' would be against the integrity of project, against EU precedents and against the EU's political and economic aims. In particular:

- EU countries are subject to an identical social, political, economic framework under EU Law and under the European Court of Justice. No country can 'pick and mix' from the menu or have its benefits without the obligations.
- Moreover, the UK's market economy is seen as a problem and the antithesis of the centrally directed Brussels system. That mirrors the *dirigiste* economics of the French, who consider Anglo-Saxon flexibility as the enemy of Franco-European social cohesion.

How can the two separate visions be reconciled?

The author explains that the government should believe in Britain's economy, the world's fifth largest, keep faith with the people, and return to the principles it followed until March, for free trade on the basis of mutual recognition. The evidence is that not only would that keep the Irish border soft. It would also fit the EU's conception of its own cohesion – preserved by a mutual recognition trade treaty with the UK, a third country like Canada.

The UK government should therefore move rapidly to end the stalemate over Chequers. It should:

- Propose a mutual recognition trade agreement with the EU, the ‘Canada plus’ option, and move on from the Chequers goods plan. That would work for voters and be in the interests of the UK economy.
- Recognise that the EU is more likely to build on its own precedents. The EU could mirror the CETA (Canada mutual recognition deal) for Britain.
- For financial services the EU it could enhance the equivalence basis for trade followed now by the US and EU. Already Michel Barnier has announced the equivalence model could work for EU-UK financial services trade.
- If the EU refuses, the UK should aim to trade under the WTO Option. WTO rules are both proven and successful, light years from the Armageddon invoked by opponents. Around 96 per cent of the world’s successful trade takes place under WTO terms. Both the UK and EU are members and start with identical laws. The EU would be in breach of WTO rules if it discriminated against UK goods and the image of lorries stacked up at Dover is a false one.

Under both options Britain’s financial services trade with the EU would be on an ‘equivalence’ basis, one up and running for EU trade with third countries, which Michel Barnier has made clear would also apply to the UK.

The author concludes that either option would be good for Britain’s economy, protect the ‘borderless’ border in Ireland, and allow UK governments strike beneficial trade deals the world over. But more important, they would mean the government had respected, not scorned the voters’ decision, and with it the tradition of British democracy itself.

Deal, No Deal? The Battle for Britain’s Democracy, written by Sheila Lawlor, is published by Politeia, 14a Eccleston Street, SW1 W9LT, priced £8-00. Hard copies are available to journalists on request from press@politeia.co.uk

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