

# The UK can't secure Brexit by March 2019 – it will need an EEA-style deal

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*Over five months on from the UK's referendum, it is still unclear what sort of Brexit deal the British government intends to seek. **Jim Gallagher** writes that Article 50 will be triggered in March without a coherent or deliverable plan. He argues that this means neither the UK or the EU are likely to be able to implement a bespoke Brexit arrangement by the deadline of March 2019. An interim EEA-style deal for the UK is therefore the most likely outcome from the Article 50 process.*



Over five months after the vote we still have no idea what the United Kingdom government thinks Brexit means. That very fact tells us what Brexit will probably be like, and how it will be implemented. That there never was a plan for Brexit is now obvious. David Cameron expected to win the referendum, and planned accordingly. For reasons that are now clear, the different Leave campaigners weren't in the planning business either. Over the last five months, this has moved from unsurprising, to deeply alarming. It is now quite possible to determine what will happen.

Why do we still have no idea what Brexit means? First the magnitude of the task: Europe and its laws are embedded to a greater or lesser degree in every aspect of our public life. It's said that there are [500 or more projects](#) ongoing in the civil service to disentangle that spaghetti. In the absence of clear direction as to the end-state, each is bound to have multiple variants. Ministers are unable to give a clear direction in part because they know they must negotiate.

But the main reason is that they themselves have no single view on what the UK's future EU relationship should be. They disagree on how far out we should be. It's not just a lack of vision but competing visions, reflecting the continuing political divisions at the core of the government. It's hardly surprising then that the civil service, now smaller than at any point since the Second World War, is having a hard time. Whitehall is crying out for a clear sense of direction and not getting one. As a result, the UK will trigger Article 50 on the basis of an incoherent and undeliverable prospectus.

## Counterparty risk

Most of the British debate on Brexit is a narcissistic display of competing attitudes toward the EU. But there are 27 other member state players in this game. Even the well-disposed ones are apparently becoming impatient with the UK. It's hardly surprising: having initiated seismic change, the UK is now vacillating about how big an earthquake it wants – not helped by spectacularly inept diplomacy at the most senior level.

Each of the 27 has to address the same range of issues from their perspective, focusing only on their own interest, and not on imagining a fancy deal for Britain. Some member states will have their own very particular issues – Ireland, Spain, Poland – and in traditional EU negotiating style will have to be bought off. Others will be thinking of the effect on the EU as a whole, but where its interest lies is hard to discern. In part it depends on what Britain asks for. Add to this mix the EU Commission and Parliament, ex officio protectors of the European status quo, and the complexity of this negotiation and the time it will take grow.

Europe will have other fish to fry at the same time: some might well be much bigger even than Britain. The migration crisis is anything but over. Italian and perhaps French politics are in a perilous place, and nor is Europe's guiding spirit, Angela Merkel, wholly sure of her position as German Chancellor either. Even if all the main players were inclined to reach a deal, doing something special for the UK may well be quite far down the agenda, and for the key

players secondary to domestic preoccupations, like getting re-elected. It is very hard to see Europe tying the bow on a neat package in March 2019.

## **Replacing Europe**

Negotiation is only part of the story. On Leave day, the UK needs to be ready to do things for itself that the EU does today. Much attention has been devoted to a lack of trade negotiators, but other issues will loom larger at the start. The Department for Environment, Food and Rural Affairs might think it is simply losing an overlord; but running your own food or fishing policy is not the same as lobbying about, and then implementing, Brussels' policy. Other policy departments might find the same. The big battalions, however, will matter more.

So, if the UK does indeed leave the Customs Union, it will need a lot more customs officers. Big numbers have been [bandied about](#) – 30,000 may be an exaggeration, but somebody will need to do a lot more customs checks. If freedom of movement changes, then the already struggling Immigration Service will have a lot more customers to manage, and however that is done will need a lot more people. If both these bodies knew today what the deal would be, they might start recruiting and training those people now, and they might just be ready by 2019. But they don't, and they aren't. So they won't be ready in 2019. Nor will the rest of Britain.

## **When the rubber hits the road**

There really is a hard deadline. Not only does Article 50 set a drop-dead date of two years – a clock which starts ticking next March – but there are European elections in 2019. It is inconceivable that it would be acceptable here or in Europe for the UK to elect new MEPs when it was in the process of leaving. So kicking the can down the road past March 2019, by mutual agreement, is unlikely to be an option.

All the factors above, when taken together, mean it is very hard indeed to see a completed negotiation setting a new UK-EU relationship by March 2019, nor to envisage a UK or an EU ready to implement it. So one very real possibility is a chaotic, hard Brexit in March 2019. The UK leaves with no agreed relationship with the EU, ceasing to be a member of the single market, the customs union and all other shared institutions.

Trade defaults to World Trade Organisation rules. Tariffs are levied, and product rules start to diverge. UK financial institutions can no longer sell products from branches in the EU. The UK is required to take on all functions which the EU currently discharges – trade, customs, immigration, fisheries and agriculture, environmental protection, etc. There are hundreds of trailing edges all across the UK's laws and government. There is no point in having a customs barrier if you do not have enough staff to collect the tariffs, or abolishing freedom of movement if you do not have enough officers to police migration. The UK might conceivably be ready to cope in 2019 if it started planning now. But there is no plan.

Alternatively, the UK might look for an interim arrangement to be sustained until a long-term deal is settled. That too is problematic. A bespoke interim deal is as much work to negotiate as a long-term one. Only something off-the-shelf would work. Realistically, all that's on the shelf is membership of the European Economic Area, with or without membership of the Customs Union. The UK becomes Liechtenstein or Norway for a period while it sorts out a long term relationship with the EU (and, perhaps, while the EU sorts itself out too). What this is actually called matters little – it might be called the UK-EU economic area, say. But it means EEA rules.

A chaotic Brexit in 2019 is the cliff-edge which business desperately wants to avoid. As 2019 approaches, and the government continues to struggle internally with its own approach, never mind do a deal with a distracted EU, ministers will peer over that cliff. They will not like the chaos they see. An interim EEA-style deal will increasingly be seen as the only option. It delivers Brexit. It holds out the possibility of further separation in a managed way (and maybe a better relationship with a EU that has meantime reformed itself).

It does require free movement of labour, but EEA rules allow some greater controls on migration. It will, most likely, be acceptable to the majority of voters. Theresa May will have to swallow some of her own rhetoric about the EU

and, much more difficult, face down the ideologues in her cabinet and her party who will revolt over accepting single market rules and contributing to any European budget. The Prime Minister will face a choice between party unity and starkly evident national interest.

For the institutions of the EU, an EEA interim deal is the path of least resistance, avoiding the trade downsides, and the effort of a wholly new deal. Europe can focus on its other, bigger challenges. If the deal includes the customs union, it solves Ireland's problems, for now at least. EEA freedom of movement helps with Spain's and Poland's concerns. Today, this may be the option no-one wants, but the smart money says it's what they will probably get.

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*Note: This article was first published at the [UCL Constitution Unit blog](#). It gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics. Featured image credit: [Jose Carlos Casimiro \(CC-BY SA 2.0\)](#)*

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