

## EFTA countries show there's another way for the UK

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News

The UK's interests align more with Europe's EFTA countries than with the EU, argues Robert Oulds



For once, and I am sure it will only be once, I agree with Andrew Duff MEP. In a recent edition of the Parliament Magazine he wrote "the EU is destined either to unify more deeply or fall apart."

Driving this is the vicious austerity practiced by the EU and the competitiveness crisis caused by the euro. In this context, the decision of Swiss citizens to protect their borders will in time prove to be the prudent approach.

To the chagrin of the EU, the Swiss took the bold step in February of voting in a referendum to restrict immigration into their confederation. Even though Switzerland is not a member of the European Union this democratic decision did bring the displeasure of the EU; Brussels threatened to cancel over 120 free trade agreements between the EU and Switzerland; however this is unlikely.

Figures recently released by the European central bank show that from July 2012 to June 2013 the eurozone ran a substantial trade surplus with Switzerland. Exports from the eurozone to Switzerland were €251bn while imports from Switzerland were just €211bn. That means the EU had a staggering €40bn positive trade balance. Brussels will not be allowed to endanger this.

At the very heart of the issue is the fact that the free movement of persons is not the deal breaking

principle that Andrew Duff has elevated it to be.

A number of the so-called four freedoms, the free movement of goods, services, capital and persons, have habitually been set aside by members of the single market. Legal and administrative barriers to the sale of services across the EU are still in place in many countries on the continent; but not in the UK. Iceland, a member of the internal market, imposed capital controls after its financial crash in 2008.

Even Liechtenstein, which is a member of the single market, has the right to restrict the residency of EU citizens into the principality. It is allowed to do so under Articles 112, 113 and protocol 15 (Articles 5 - 7) of the European economic area (EEA) agreement, the very same treaty that gives Liechtenstein full access to the EU's internal market. What is more, in 2012 even France suspended the operation of the Schengen borderless zone.

The UK can replicate the relationships which other smaller economies have achieved with the EU. Britain can keep access to the admittedly still important, but declining, single market and still protect its borders. The answer is to leave the EU.

The UK should re-join the European free trade association (EFTA) and retain membership of the EEA, just like Iceland, Norway and Liechtenstein. This will make it possible to keep tariff free trade with the EU, yet restore British sovereignty over the important aspects that define a nation-state.

"According to the Paris-based organisation for economic cooperation and development Norway has led the EU in formulating environmental legislation. Can the same be said for Britain inside the EU?"

EFTA/EEA states are outside of the EU and have the right to not only rework but also reject EU proposals. They also retain the right to be consulted on the development of the single market and even shape decisions affecting it from the start. Representatives from Norway take part in more than 500 EU committees and expert groups. Their active involvement allows them to have real influence over the internal market.

Indeed, Norway, an EFTA/EEA, member has actually been described as a 'leader' in EU rule-making. According to the Paris-based organisation for economic cooperation and development Norway has led the EU in formulating environmental legislation. Can the same be said for Britain inside the EU?

Britain's interests align much more with EFTA than with the EU. Norway and Switzerland both share with the UK a similar liberal-democratic culture; economically they also have similarities. Norwegian economic success is built on the production of chemicals, fishing and the extraction of both gas and oil. Norway also has a significant maritime industry. Switzerland has strengths that include biotechnology, engineering, finance and pharmaceuticals. These are all strengths that the British economy has.

It will make sense to align with these members of EFTA. With an average unemployment rate of just four per cent the EFTA is in economic terms one of the most effective trade associations in the world.

Britain should not be timid in seeking to take back control of who can enter this country from the EU. How will exiting the EU affect UK residents living abroad? Quite simply they will have their rights protected.

The entitlement to continue living in another EU state is known as an 'executed right'. Article 70b of

the Vienna convention states that the withdrawal from a treaty "does not affect any right, obligation or legal situation of the parties created through the execution of the treaty prior to its termination." This view is supported by UK constitutional expert Lord McNair.

He concluded that such rights established by a treaty will remain in force even if the agreement is terminated by Britain's exit. In law they are considered to be executed by the treaty and "have an existence independent of it; the termination cannot touch them". Their status will be guaranteed as a result of the "well-recognised principle of respect for acquired [vested] rights".

The Swiss have taken the step of restoring control over their immigration policy, Liechtenstein achieved this in 1994, the UK should be bold and follow a similar path; all that is needed is the political will to do so.

### **About the author**

Robert Oulds is director of the Bruges group and the author of 'Everything you wanted to know about the EU - But were afraid to ask'

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