



Lets go back to the EEC

By Paul Clarke, EIA Chairman *

Whether explicitly stated or simply the logical conclusion of their views, some political parties in the UK have leaving the EU as one of the main planks of their platform. Usually, those most in favour of this step hark back to 'what we joined': a trading group, not the all-powerful European Union that they have come to hate. The EEC (European Economic Community) is no more of course, but would it be possible to return to that sort of trading arrangement? Clearly, the UK would have to come to some sort of deal, because the other Member States of the EU represent several of its most important markets. But could it maintain a trading relationship with France, Germany, Ireland and the others without having to worry about all that bothersome stuff like working time and human rights?

Could we leave?

The answer to that question is 'yes we could', and it comes with a touch of irony, because the path to a Member State leaving the Union is for the first time set out in that much-reviled document, the Treaty of Lisbon. For UKIP leaving the EU is the Holy Grail; for the Conservatives it is more problematic, as their leaders seem to shy away from actually pulling out, whilst at the same time promising that any future 'transfer of powers' would always be subject to a referendum. Add to that the intention to 'repatriate' employment powers, and the UK actually leaving might be an option that our fellow Member States would regard as a blessed relief. Might 'In a club but not observing its rules' be another way of expressing 'In Europe but not ruled by Europe'?

Let's be the new Iceland

So if we leave, can we just trade with the EU? Why not, the sceptics say, Iceland does, Norway does, no problem. Leaving aside the fact that Iceland is looking to be fast-tracked into EU membership after its economy was even more ruthlessly credit-crunched than the UK's, let us consider how its present arrangements work. The key to this is something called the European Economic Area (EEA) Agreement which involves the 27 Member States of the EU plus Iceland, Norway and Liechtenstein. Under this Agreement, the three non-EU members are given the Treaty rights of free movement of goods and workers that the Member States enjoy. Game, set and match to the Eurosceptics then? Well no, not quite.

Take a look at the *Official Journal* (OJ) L102 of 23 April 2010 and particularly Commission Regulation [330/2010](#) on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices. Typical, one would have thought, of the sort of detailed interference with the rights of business to get on with making money that so infuriates the sceptics. Note at the end of the title, the bit that says 'Text with EEA relevance'. In other words, Iceland has to apply this Regulation, as do Norway and Liechtenstein. That note appears on legislation in almost every issue of the Official Journal (OJ); it is the quid pro quo for the freedoms that the Agreement gives Iceland and the others to access the EU's markets. In short, they accept and implement any legislation that concerns the Single Market: EU Regulations apply in Oslo just as they do in Berlin; Reykjavik implements Directives just as Whitehall does. While they may have gained in national pride (being still proudly independent) they have given up any right to influence the legislation to which they are bound. No MEPs from Iceland; no Norwegian politicians speaking up for their country at meetings of the EU Council of Ministers.

With the Balkan countries queuing up for membership, the EEA States are joined only by Switzerland in standing aloof and, without going into detail, it too is bound by similar agreements which ensure that it earns its trading rights by accepting EU legislation. The importance of the EU as a trading partner ensures this and even extends beyond the continent with, for example, the United States and China having to pay detailed regard to the REACH legislation on chemicals if they want their manufacturers to trade with, say, Germany.

If the UK left

Not only would the UK need access to EU markets, Kraft would want its managers from Cadbury in the UK to go to work in its plants in Poland, so the Posted Workers Directive would have to apply to us. If companies could no longer rely on London being the gateway to a market of 500 million people, why should they set up shop there? Chinese and Indian companies might as well go to Warsaw or Munich or Turin, where they would only have one set of regulations to deal with to tap into that huge market. Furthermore, UK manufacturers would not be able to ignore eco-design directives and technical standards or they would be back to the old pre-Single Market days, when selling to Germany or France meant long delays before their products could be assessed as meeting the requirements of those markets.

So business would find itself having to take on board all the regulations and directives that it does now, but no politician in the UK would have had any say in formulating those rules. There would be no UK Members of the European Parliament arguing the case, no Ministers expressing a view in the meetings of the Council. No chance, as it did last year, for the UK Government to lead a blocking group against proposals to remove the opt-out from the Working Time Directive.

Disingenuous

If this argument is sound - and many years of working with EU information convinces me that it is - then the total ignorance of the EEA agreement in the UK is shocking. If the Eurosceptics know about it then they are being disingenuous; if they don't, then they are dangerously ignorant. Have a happy election ...

* The comments expressed here are the personal thoughts of the author. The European Information Association does not take sides in the fight between Europhiles and Europhobes, but it is concerned that information presented about the EU should be factual, readily available and transparent.