

BREXIT IN PERSPECTIVE

	1949	1951/1952	1957/1958	1985+90/95	1986+1987	1992+1993	1997/1998	2007/2009	2016 Brexit Vote	2018	2019
ECONOMIC INTEGRATION	END OF WWII Independent economies and societies	PARIS TREATY Foundation of European Coal and Steel Community	ROME TREATY & EURATOM TFEU Establishment of EESC and EURATOM, Creation of Customs Union and Common Market, Common Commercial Policy	SCHENGEN TREATY & CONVENTION Free movement No border control	SINGLE EUROPEAN ACT Creation of Single Market	MAASTRICHT TREATY (TEU) Creation of Economic Monetary Union	AMSTERDAM TREATY	LISBON TREATY			
SOCIAL BENEFITS AND FREEDOMS			Establishment of four freedoms, Common Agriculture Policy, Common Transport, Creation of European Social Fund (ESF), Creation of European Investment Bank (EIB)		Workers have the right to move and reside freely among 12 EU countries, enhanced environmental policy	Common Foreign & Security policy, Justice & Home Affairs, Education, Culture, Formal establishment of „EU citizenship“	Focus on sustainable development and a high level of employment. Community method now being applied to major areas such as asylum, immigration and customs cooperation	Union addressing global problems such as climate change with one voice and closer cooperation in additional fields, e.g. energy policy, data protection, civil protection, sport and space policy			



GLOBAL AGREEMENT MEXICO (2000)
Dismantled tariffs between EU and Mexico allowing for preferential access for European and Mexican exporters into their respective markets as well as chapters on public procurement, competition and dispute settlement

COTONOU AGREEMENT (2003)
Treaty between the EU and the African, Caribbean and Pacific Group of States (ACP countries) based on three pillars: development cooperation, trade and political dimension. Yet, arrangements compatible with WTO rules by removing trade barriers have not been concluded in many regions

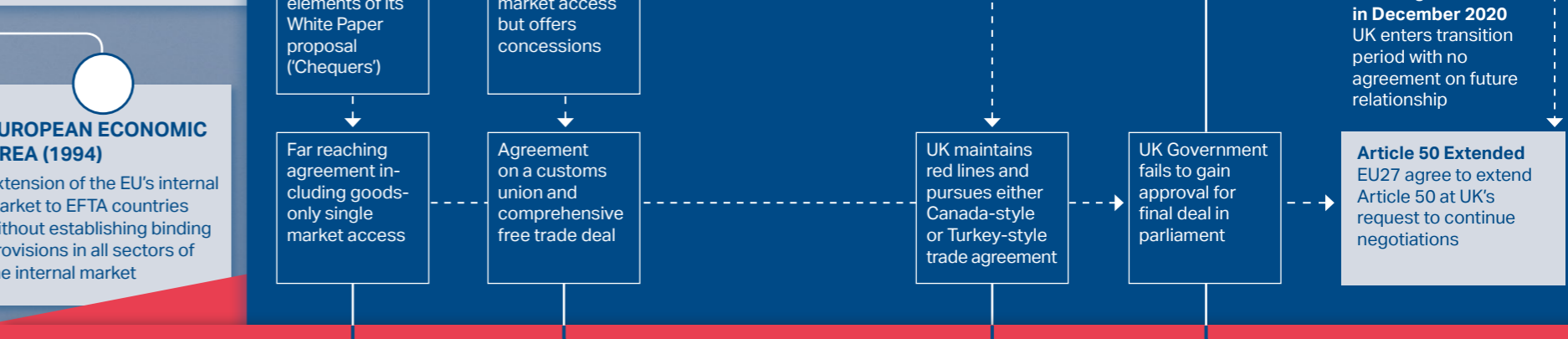
EUROPEAN ECONOMIC AREA (1994)
Extension of the EU's internal market to EFTA countries without establishing binding provisions in all sectors of the internal market

EUROPEAN FREE TRADE ASSOCIATION (1960)
EFTA was founded to promote closer economic cooperation and free trade in Europe

PROTECTIONISM
Protectionism is an economic policy of restricting trade between nations. Trade may be restricted by high tariffs on imported or exported goods, restrictive quotas, a variety of restrictive government regulations designed to discourage imports, and anti-dumping laws designed to protect domestic industries from foreign take-over or competition (Regine Adele Ngono Fouda 2012)

DEMAND - STRUCTURE THEORY
potential foreign trade is hindered by unawareness of distant markets, high transport costs or trade barriers (Linder 1961)
Trade creates interdependence and wars become economically too costly (Immanuel Kant 1795)

GRAVITY THEORY
open borders are important because economic size attracts countries to trade with each other while greater distances weaken the attractiveness (Jan Tinbergen 1962)
FACTOR PROPORTION THEORY
trade is profitable because of different factor price relations (Eli Heckscher and Bertil Ohlin 1933)



SOFT BREXIT THE UK CONTINUES TO HAVE PREFERENTIAL ACCESS TO THE SINGLE MARKET

A

The UK submits late request to join EFTA and thereby **REMAINS A MEMBER OF THE EUROPEAN ECONOMIC AREA (EEA)** (comparable to the relationship between the EU and Norway)

- Preferential access to single market and compliance with single market rules but no formal say in its rulemaking
- Contribution to the EU budget and respect of the four freedoms

B

The UK **LEAVES THE EEA BUT SECURES BESPOKE AGREEMENT THAT WOULD GRANT IT PARTIAL FAVOURED ACCESS TO THE SINGLE MARKET** (comparable to the agreement between the EU and Switzerland)

- Complying with certain aspects of EU legislation, incl. free movement of persons
- No decision-making power over the single market rules

HARD BREXIT THE HARD BREXIT SCENARIOS ENVISION THE UK LEAVING THE EEA AND LOSING (ALMOST ALL) SINGLE MARKET PRIVILEGES

A

THE UK STAYS IN ASPECTS OF THE CUSTOMS UNION (relationship like the one between Turkey and the EU)

- UK would accept common tariffs on imports from outside the EU and would be able to trade goods freely with EU members
- Benefits from agreements that the EU has reached with other states but not free to set own tariffs
- No obligation to comply with the EU's four freedoms
- No obligation to contribute to the EU's overall budget

B

THE UK LEAVES THE EEA AND THE CUSTOMS UNION (would have to reach a free trade agreement as a third country - comparable to the agreement reached with Canada)

- No common tariffs on non-EU imports
- Heavily restricted free movement of goods, services, capital and labour
- No contribution to EU budget

NO DEAL BREXIT

- EU-UK relationship solely based on WTO terms
- UK no participation in EU policies or processes
- Implementation of contingency plans with tariffs, customs checks and regulatory controls at all UK borders, and major disruption to supply chains
- A breakdown in relations between the UK and the EU

NO BREXIT?

Of course, the UK could still make a u-turn and reverse its decision (but then that's not Brexit!)