

Summary

The UK withdrawal from the EU, following an "out" vote in a referendum and an Article 50 notification, will have significant geopolitical and economic consequences. But we believe it is unrealistic to expect a clean break from the EU in a single step, immediately unravelling forty years of political and economic integration. We have therefore set out a process of staged separation and recovery.

In all six of the stages we identify, we expect progress to be driven by political realities. In the first stage, which deals with the immediate process of leaving the EU, we believe that an agreement must be sought within the initial two year period allowed for in the formal exit negotiations. We also believe - largely as a result of promises that will have to be given during the referendum campaign - that there will be an absolute requirement to continue participation in the EU's Single Market in the short to medium term.

Our six-stage plan involves both short-term and longer-term negotiations, to achieve a measured, progressive separation. Initially, as a means ending our full membership of the EU, we see value in a first stage which comprises rejoining the European Free Trade Association (EFTA) and trading with the remaining EU member states through the European Economic Area (EEA) - the so-called "Norway Option". In what is a multi-layer fallback strategy, though, alternatives are available if this option does not prove viable.

As part of the first stage, we would also repatriate the entire body of EU law, including that pertaining to agriculture and fisheries, thereby protecting the Single Market and inwards investment. This would not only ensure continuity and minimise disruption – and reduce what would otherwise be massive burdens on public and private sector administrations – but also buy time for a more considered review of the UK statute book.

We would continue with co-operation and co-ordination with the EU at administrative levels, where immediate separation of shared functions is neither possible nor desirable in the short term.

These would include the research programme (Horizon 2020), the Single European Sky and the European Space Programme, certain police and criminal justice measures, joint customs operations, third country sanitary and phytosanitary controls, anti-dumping measures, and maritime surveillance. Such issues are in any event best tackled on a multi-national basis, and there is no value in striking out on our own.

Thus, the immediate objective of this first stage would be limited to a smooth, economically neutral transition into the post-exit world, laying the foundations for the UK to exploit its independence, without seeking to achieve everything at once. Subject to a referendum to approve the initial exit agreement, the basic framework for a withdrawal could be in place within two years of starting negotiations.

Immediately upon exit, we would then initiate a second stage – the regularisation of our immigration policy and controls. This will require action at a global level to deal with the Geneva Convention on the Treatment of Refugees, and the 1967 Protocol, as well as at a regional level, modifying or withdrawing from the European Convention on Human Rights.

We then propose a third stage, which involves initiating negotiations to transform the EEA into a genuine, Europe-wide single market, with common decision-making for all parties. This will be fully integrated into the global rule-making process, through existing international bodies.

The aim would be a community of equals in a "European village", rather than a Europe of concentric circles,. We would use the Geneva-based United Nations Economic Community Europe (UNECE) as the core administrative body, on the lines proposed by Winston Churchill in 1948 and again in 1950. Thus, the Article 50 negotiations and exit from the EU becomes the start of an ongoing process, the means to an end, not the end itself.

Simultaneously, we identify and explore some key policy areas where independent policy development is required, eventually leading to divergence from the EU and the emergence of unique British policies. This, as far as it can be identified as such, becomes a fourth stage of the plan.

Our post-exit Britain then emerges from the implementation of a further, fifth stage, itself comprising eight separate initiatives which come together to make a coherent programme which will define our global trading relations. The "Norway Option" has now receded, having served its purpose as the launch pad, opening the way for the UK to break out of the EU cul-de-sac and rejoin the world.

Sixth, and finally, we take the opportunity afforded by withdrawal to embark on reforms of domestic governance, by introducing elements of direct democracy and the other changes embodied in The Harrogate Agenda.

In its totality – the sum of the parts being greater than the whole - we call our plan "FLexCit", a composite comprising the word "exit" and "FL" from flexible response, with the "C" from continuous development.

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