

What would Re-joining the European Union Entail for the UK?

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We were promised by David Cameron PM that the Referendum on leaving the European Union would be “the final decision”, a “once in a generation choice”. We were promised that “When the British people speak, their voice will be heard, not ignored”, “there will not be another negotiation and another Referendum”, “this choice can’t be undone.”

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While it is challenging to pinpoint an exact figure for the total cost of reworking administrative matters like border control due to Brexit, estimates suggest that it runs into several billions of pounds. This includes direct government expenditures on infrastructure and staff, as well as indirect costs borne by businesses due to increased trade friction and compliance requirements. Details of the costs associated with implementing the requirements of Brexit are listed in Appendix A.

While we can only hypothesise on this, what conditions might the EU impose on the UK, or an independent Scotland for that matter, if it were to apply to re-join the EU?

If the UK or an independent Scotland were to apply to re-join the EU, several conditions and requirements would likely be imposed. These would be based on the EU’s standard accession criteria, known as the Copenhagen criteria, and additional specific considerations arising from the UK’s previous membership and its exit process.

Here are some likely conditions:

General Conditions Based on Copenhagen Criteria:

1. Political Criteria:

- **Stable institutions guaranteeing democracy:**

This includes ensuring free and fair elections, the rule of law, human rights, and respect for and protection of minorities.

- **Functioning democratic governance:**

Demonstrating stable and transparent government structures and a commitment to democratic principles.

2. Economic Criteria:

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]

3. Acceptance of the Acquis Communautaire:

- **Adopting the EU's body of laws and regulations:**

[REDACTED]
[REDACTED]
[REDACTED]

- **Commitment to the objectives of political, economic, and monetary union:**

This would involve [REDACTED], although actual adoption of the euro might be negotiable or delayed.

Specific Conditions for the UK or an Independent Scotland:

1. Resolution of Any Outstanding Brexit Issues:

- **Northern Ireland Protocol:**

Addressing the issues related to the Northern Ireland Protocol and ensuring seamless integration of Northern Ireland within the EU framework.

- **Financial Settlements:**

Settling any financial disputes or obligations arising from the Brexit process.

2. Institutional and Legal Adjustments:

- **Alignment with EU laws and regulations:**

The UK or Scotland would need to [REDACTED]

- **Judicial and regulatory adjustments:**

Re-establishing EU-compatible judicial and regulatory frameworks, including the [REDACTED].

3. Economic and Trade Policies:

- **Re-joining the Customs Union and Single Market:**

Full participation in the EU Customs Union and Single Market, including [REDACTED]

- **Regulatory harmonization:**

Ensuring [REDACTED]

4. Freedom of Movement:

- **Acceptance of the four freedoms:**

[REDACTED] goods, services, capital, and [REDACTED].

- **Migration policies:**

[REDACTED]
[REDACTED] for EU citizens.

5. Institutional Participation:

- **Contributing to EU budgets:**

Agreement on financial [REDACTED]

- **Institutional representation:**

Agreement on the number of seats in the European Parliament and other EU institutions.

6. Transitional Arrangements:

- **Phased integration:**

Possible transitional arrangements to allow time for full compliance with EU rules and policies.

- **Monitoring and compliance checks:**

Regular [REDACTED]
[REDACTED] with EU standards and regulations during the transition period.

Additional Considerations for Scotland:

1. Independence and Recognition:

- **Legal and constitutional issues:**

Ensuring Scotland's independence is legally recognized and supported by stable constitutional arrangements.

- **EU's stance on regional secession:**

Addressing any concerns the EU might have about encouraging other separatist movements within member states.

2. Economic Viability:

- **Economic sustainability:**

Demonstrating Scotland's economic viability as an independent nation capable of meeting EU membership requirements.

- **Currency and fiscal policies:**

Addressing issues related to currency (whether to use the pound, the euro, or a new Scottish currency) and ensuring sound fiscal policies.

Re-joining the EU would be a complex and multifaceted process, involving significant legal, political, and economic adjustments. The specific conditions would ultimately depend on negotiations between the UK or Scotland and the EU, but adherence to the fundamental principles of the EU and resolution of Brexit-related issues would be key prerequisites.

The cost can only be speculated but it is not unreasonable to assume a similar order of magnitude to that of untangling the UK from the EU following Brexit - several more billions of pounds.

[REDACTED]

[REDACTED]

Appendix A - Estimated cost to the UK for reworking administrative matters as a result of Brexit

The estimated cost to the UK for reworking administrative matters such as border control as a result of Brexit has been substantial, encompassing a wide range of adjustments and implementations across various sectors. Here are some key areas and their associated costs:

Border Control and Customs:

1. Infrastructure and Staff:

- **Infrastructure upgrades at ports and border checkpoints:** The UK government has invested heavily in upgrading infrastructure at key ports to handle increased customs checks and new border procedures.
- **Additional staff:** Thousands of additional customs officers and border control staff have been hired to manage the new procedures. The cost of recruiting, training, and employing these additional staff members has been significant.

1. IT Systems and Technology:

- **New IT systems:** Developing and implementing new IT systems to handle customs declarations, tariffs, and regulatory checks has been a major expense. The “Customs Declaration Service” (CDS) is one such system, which has cost hundreds of millions of pounds.
- **Technology upgrades:** Upgrading existing technology and implementing new technologies for efficient border management, such as automated scanning systems, has also incurred high costs.

Financial Estimates:

1. Government Reports and Independent Analyses:

- **National Audit Office (NAO):** The NAO has reported that the UK government has allocated over £4 billion for Brexit preparations, a substantial portion of which has gone towards border control and customs arrangements.
- **Institute for Government (IfG):** The IfG estimated that the total cost of preparing for Brexit, including border-related expenses, would be around £8 billion by the end of the transition period in 2020.

1. Additional Costs Post-Transition:

- **Ongoing operational costs:** The costs of operating and maintaining the new border infrastructure and systems are ongoing and substantial.
- **Trade friction costs:** Businesses have faced additional costs due to increased paperwork, delays, and compliance with new customs regulations. This has had a ripple effect on the economy, adding indirect costs.

Specific Figures:

- **Infrastructure investments:** The UK government allocated approximately £705 million in July 2020 specifically for new border infrastructure, technology, and additional staff to handle Brexit-related changes.
- **Customs and regulatory staff:** The hiring of an estimated 50,000 customs agents by businesses and the government to manage the new customs procedures represents a significant recurring cost.
- **Digital Services:** The development of the new “Goods Vehicle Movement Service” (GVMS) and the “Customs Declaration Service” (CDS) have had combined costs estimated in the hundreds of millions of pounds.

Overall Economic Impact:

- **Economic impact studies:** Studies, such as those conducted by the London School of Economics (LSE), have highlighted that the increased friction at borders due to customs checks and regulatory divergence has resulted in higher costs for businesses, estimated to be in the billions annually.

Conclusion:

While it is challenging to pinpoint an exact figure for the total cost of reworking administrative matters like border control due to Brexit, estimates suggest that it runs into several billions of pounds. This includes direct government expenditures on infrastructure and staff, as well as indirect costs borne by businesses due to

increased trade friction and compliance requirements. The overall economic impact is broader, affecting trade volumes, supply chain efficiency, and economic growth.