# Brexit and the backstop: everything you need to know



### Foreword

If I'd have said three years ago that the scale of sanitary and phyto-sanitary checks on sheep moving from Cairnryan to Larne would be at the crux of our political debate, you'd have questioned my sanity. That is, if you weren't one of the many experts, including the contributors to this report, who foresaw just how contentious these issues could become in the event of a vote to leave the European Union.

In what follows, we provide a guide to what the Irish backstop is, why it's needed, what the concerns are with it and what alternatives there might be. In many ways, the backstop debate is a proxy for other grievances: personal, party political and, even in some cases, principled. We hope this report will be a one-stop shop for everything you need to know about the backstop: how it came to be, why it came to be and why, almost certainly, it is here to stay if we want to leave the EU with a Withdrawal Agreement in place.

The UK in a Changing Europe is not a traditional think tank. We do not see it as our role to propose or promote specific policy outcomes. Rather, we give our dispassionate assessment of key issues based on our research. Our aim is not to advocate but to inform.

I am delighted that we have been able to gather some of the best minds working on these questions to make this contribution to the debate at this crucial time. As ever, I am immensely grateful to all those who contributed to this report at unreasonably short notice. They have tolerated my questions and comments with efficient good humour. Particular thanks go to Katy Hayward who helped put this whole report together, and to Matthew Bevington, who not only contributed two chapters but also helped oversee the entire process. Lizzie Parker was invaluable in co-ordinating the report. Ben Miller also worked incredibly hard on the report's design and publication (don't tell him I said that).

I hope it proves both useful and interesting.

**Professor Anand Menon** The UK in a Changing Europe



The UK in a Changing Europe is an impartial and independent organisation created to make the findings of academic research easily available to the widest possible audience.

# Brexit and the backstop: everything you need to know

## Contents

Introduction Anand Menon and Katy Hayward4
What is the backstop? David Phinnemore
Where did the backstop come from? Anand Menon and Matthew Bevington8
Will the EU budge? Lessons from history Matthew Bevington10
Will the EU budge? The current negotiations Simon Usherwood12
Why is the backstop needed? Colin Harvey14
Perspectives on the backstop Mary C. Murphy16
What do the public think about the backstop? John Garry
What is the 'Malthouse plan'? Graham Gudgin21
Would the 'Malthouse plan' work? Katy Hayward23
Are there alternatives to the backstop? Catherine Barnard and Georges Baur25
What happens to the border if there's no deal? Katy Hayward27

# Are there alternatives to the backstop?

**Catherine Barnard and Georges Baur** 

Given the fights there have been over the backstop, are there no conceivable alternatives to it? The hunt for such alternatives inevitably leads to examples of other borders and it is usually only a matter of time before someone volunteers the Switzerland-France border as a model. Switzerland is in Schengen (so no need for passport checks) and regulations on goods are broadly aligned with those of the EU. But Switzerland is not in the EU's customs union nor its VAT regime, and that means border checks are required. Its watches and cuckoo clocks literally run like clockwork, so, the argument goes, must its borders.

But it's not as simple as that. As the <u>Swiss Federal Customs Administration</u> makes clear, even though they have the latest technology and much paperwork is done away from the border, there is still some physical infrastructure and delays of up to four hours if a lorry is searched.

In 2018 Switzerland launched a new IT-based customs transformation <u>programme</u>. This programme aims to simplify, harmonise and fully digitise customs tax and duty collection processes. It should be in place by 2026. However, this programme will not make controls at the border redundant. Quite the opposite. Because routine administrative work and bureaucratic procedures will be replaced by IT-based solutions, personnel will be freed up. These people will be used to strengthen security, especially for control functions and reinforcement of criminal prosecution. Some of these functions will continue to apply at the border. Hence, even with a highly technologically advanced customs management system, controls at the border will not become obsolete and nor will customs infrastructure vanish.

What about another favoured example, the Norway-Sweden border? Norway is not in the customs union either, so the origin of goods must be checked. Again, <u>Norwegian Customs</u> make clear what is required. Although it is technologically advanced, there is still a delay. The <u>average time</u> from when a lorry arrives at the border to when it leaves is about 20 minutes. This includes roughly ten minutes waiting time, three to six minutes of handling time, and the time spent coming off the road to complete the customs process. And there's physical infrastructure too. All this despite existing agreements on customs facilitation, transit and rules of origin between the EU and the European Free Trade Association states, of which Norway is one.

Less often talked about are Andorra and San Marino. Both are small European nations that are in a customs union with the EU. Although Andorra's treaty only covers goods, its borders with Spain and France are strictly controlled. This is due to the fact that Andorra has no VAT (yet) and is known as low tax territory. Thus, smuggling has always been a concern of the neighbouring countries. The customs union with San Marino covers all goods except coal and steel. It has traditionally kept an open border without checks at its frontier with Italy. However, it levies an import tax, at 17%. The Bulgaria-Turkey border is <u>worse</u>. Turkey is in a customs union with the EU, which removes tariffs and quantitative restrictions in bilateral trade between EU member states and Turkey for the goods covered. It also sets a single external tariff for both the EU and Turkey, so they charge the same duties on imports from non-EU countries.

Unlike the customs union covering EU member states, the EU-Turkey agreement is incomplete. It covers industrial goods but not agricultural products (except certain processed agricultural products), coal and steel products, or public procurement.

Finally, the border between Turkey and the EU is bureaucratic and lengthy. Lorry drivers need an export declaration, a customs permit, invoices for the products they are transporting, insurance certificates and a transport permit for each EU nation they will drive through. The queues at the border can be up to 17 kilometres long and the wait as much as 30 hours. While Turkey has invested significantly in modernising its border, with checks taking place an hour inland, Bulgarian officials check the paperwork for every truck and x-ray all refrigerated lorries.

Which brings us to the US-Canada border. Again, much resource has been put into streamlining this border but there are still delays – the length can be seen <u>online</u>. All of this indicates that regardless of the technological capabilities of the EU's neighbouring countries, there will be checks and the borders and this means infrastructure.



The UK in a Changing Europe promotes rigorous, high-quality and independent research into the complex and ever changing relationship between the UK and the EU. It is funded by the Economic and Social Research Council and based at King's College London.

020 7848 2630 | UKandEU@kcl.ac.uk | www.UKandEU.ac.uk | 😏 @UKandEU



