How ready is the UK for Brexit?: 9%

Opinions on whether Britain will be ready to enter the EU in 2019 differ. **Simeon Djankov** *introduces the Brexit Readiness Score: updated quarterly, the index would track the negotiations' progress in ten components, each scored on a scale from 0 (no progress) to 10 (full readiness). Based on the data available so far, he estimates the UK's current readiness to be at 9 out of 100.*

If you believe Prime Minister Theresa May the United Kingdom will be ready to exit the European Union in April 2019. If you believe UK businesses Britain is falling behind in its preparations. The next round of Brexit negotiations, and the first since the summer recess, was delayed by a week to September 25, 2017, suggesting that businesses may be right.

Two other announcements in September have questioned Brexit readiness. First, the head of the UK's Revenue and Customs service warned that the agency may need an extra 5,000 staff members and an increased annual budget of $650 million to $1 billion to manage the post-Brexit customs regime. These resources are not foreseen in the government's public accounts. Second, a survey commissioned by the Port of Dover estimated "the impact [of Brexit] to be at least $1.3 billion per year," also not budgeted for.

Banksy does Brexit (detail), by **Duncan Hull**, under a **CC-BY-2.0** licence

With such diverging views, an index to gauge the government's readiness for Brexit may be a useful tool. This index can be updated quarterly to track progress. Based on available data, each component can be scored on a scale of 0 (no progress) to 10 (full readiness). The 10 proposed components are:

1. **Access to European markets** – Tracks the progress of the trade negotiations on accessing European markets. The European Commission has stressed that trade negotiations can proceed only after the treatment of EU citizens living and working in the United Kingdom is clarified.

Score: 0

2. **Customs and ports** – Assesses whether import and export rules and related infrastructure are in place and can be implemented after Brexit.

Score: 1 (Some estimates on the actual needs have been made.)

3. **Tax** – Captures the readiness of the UK tax administration to handle changes to the value-added tax (VAT) arising from leaving the customs union.

Score: 0

4. **EU professionals** – Assesses Brexit's impact on the workforce, with an emphasis on visa and work permit requirements for European nationals.

Score: 2 ([Chancellor Philip Hammond](#) revealed in July 2017 that most ministers in the May government agree there needs to be a lengthy transitional arrangement after Brexit.)

5. **"Self-sufficient" EU citizens** – The UK government wants to require "self-sufficient" EU citizens such as stay-home parents and students to have UK private health insurance or comprehensive sickness insurance. The European Commission disagrees.

Score: 0

6. **The City of London** – Captures the regulatory revisions needed to ensure that UK-based financial institutions can continue to operate in the European Union. Their operations involve passporting and other adjustments.

Score: 1 (The banking community has warned about the dangers of business moving to New York and other locations without clarity on a transitional period; see analysis on the [costs of Brexit](#).)

7. **European Court of Justice** – The UK government insists that the European Court of Justice should not be involved in disputes that may arise post-Brexit. The European Commission disagrees.

Score: 0

8. **EU Security System** – Evaluates the access the United Kingdom can negotiate to the data of the Second Generation Schengen Information System, which issues alerts to officers and border staff about suspects, foreign fighters, and missing people; the European arrest warrant process, under which criminal suspects can be speedily extradited between EU states; and Europol, the EU agency that coordinates continent-wide crime-fighting operations and the exchange of intelligence.

Score: 5 ([Home Secretary Amber Rudd](#) proposed in September 2017 an EU-UK security treaty not dependent on Brexit talks.)

9. **Erasmus Program** –Evaluates the transitional and post-Brexit arrangements for the Erasmus+ program, which gives UK students the chance to study or gain work experience in the European Union and reciprocates the same to EU students in the United Kingdom.

Score: 0

10. **EU Science Exchange** – Horizon 2020, the EU program on funding research, will be out of reach after Brexit. For the many EU nationals at UK universities, the incentives to transfer to EU universities will be high. Negotiating either a transitional period or continued participation in the program will maintain the quality of university education.

Score: 0

Overall Brexit Readiness Score: 9 percent (9 of 100)

_____

Note: This post was originally published by [PIEE](#).

About the Author

Simeon Djankov Simeon Djankov is former deputy Prime Minister and Finance Minister of Bulgaria. He is now Executive Director of LSE's Financial Markets Group and a nonresident senior fellow at the Peterson Institute for International Economics (PIIE).