

A Guide to Orbiting Europe: An Analysis of Non-Tariff Barriers to Trade Between the Single Market and Non-EEA European States

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Introduction

The European Union has economic gravity. More specifically, the EU's economic gravity is captured by the European Single Market. Whereas the EU has a broad political mandate, the Single Market's focus is uniting Europe's economies. On the global stage, the economic gravity of the European Single Market is so overwhelmingly powerful that trying to exist only on the perimeter of the orbit would cause long-term political and economic frictions and enshrine structural inefficiencies in domestic law. These ramifications result in unnecessary losses from misaligned regulations leading to decreased trade and inefficient production. The partial access that countries not part of the Single Market are able to negotiate for currently costs them influence over European decision making and swathes of market access in sectors which are not subjects of these trade deals. From the perspective of the United Kingdom, sovereignty is valued over Single Market membership, where sovereignty is defined as the ability of a country to control its domestic law. This was seen clearly in the Brexit vote, where Britons expressly decided that the costs of the European Union were too great to bear.¹ However, I will argue that it is a mistake for countries on the outer orbit of the EU to resist the pull of the Single Market. I will demonstrate the economic gravity of EU states in trade and strength at the negotiating table because of the strategic wielding of its massive consumer base. Next, I will analyze why this is a problem for countries trying to achieve an imagined "best of both worlds" by positioning themselves at the edge of the European orbit. I will analyze possible paths forward by looking at the case for unilaterally implementing European law into domestic legislation with

¹ Arnar Freyr Arnorsson and Gylfi Zoega, "On the Causes of Brexit," *European Journal of Political Economy* 55 (2018).

Switzerland as an exemplary case which is nevertheless inalienably flawed. I will conclude that even a country like the United Kingdom, the largest economy on the perimeter of the European community, feels the immense pull of Europe's economic gravity and must continue to align itself further with Europe, or else face the consequences of failing to pick a path.

The EU and the Prevailing Status Quo

Along with the EU and the Single Market exists a host of similarly-acronymed organizations whose purpose is to promote European economic cooperation. The European Economic Area (EEA), for example, is the free-trade zone allowing free movement of goods, services, people, and capital between all 27 EU states and three EFTA member states (Norway, Iceland, and Liechtenstein).² The European Free Trade Association (EFTA) comprises four non-EU countries (the aforementioned three as well as Switzerland) who work to eliminate tariffs on industrial goods, with no customs union and no obligation to adopt common regulatory law.³ Not requiring member states to adopt European common law categorizes the EFTA as a free trade arrangement rather than an integrated market and allows these nations to maintain sovereignty over their domestic policy. This is best seen in the case of Switzerland as the country expressly chose to be a member of the EFTA rather than the EEA in order to maintain its sovereignty.⁴

Problems with the Status Quo

There are many problems with countries that attempt to exist on the periphery of the EEA, with all interactions with EEA countries governed by long-negotiated, sector-specific treaties: separate import standards, duplicated conformity assessments, separate dispute jurisdictions, diverging laws over time, and more. While these countries seek to obtain an imagined “best of both worlds” in simultaneously maintaining autonomy and reducing trade friction, the reality is that they merely ingrain structured inefficiency into their laws. Their differing trade rules necessitate the institution of complex processes like additional checks and assessments which make trade slower, more tedious, and more difficult to navigate at the business level.⁵ The European “perimeter nations,” the United Kingdom,

² *Agreement on the European Economic Area (EEA)*, adopted January 3, 1994, 4-5.

³ *EEA Agreement*, 8.

⁴ EFTA Studies, “Swiss–EU Relations,” accessed March 4, 2026.

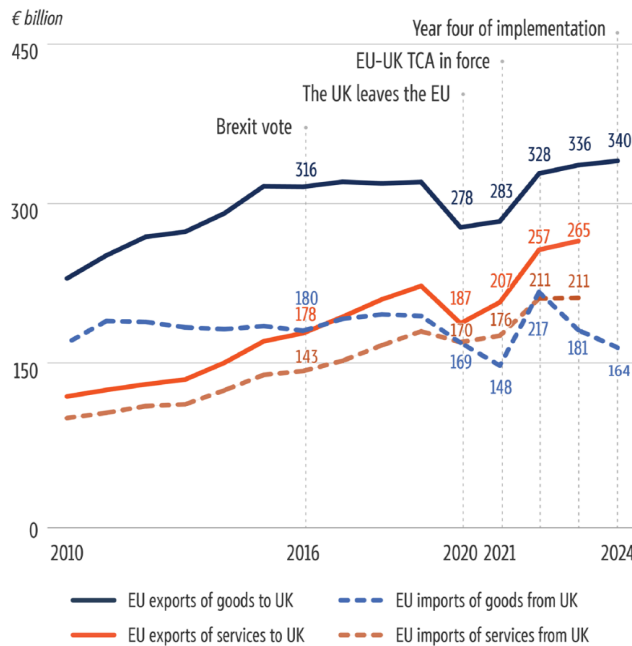
⁵ Bernard Hoekman and Alessandro Nicita, “Trade Policy, Trade Costs, and Developing Country Trade,” *World Development* 39, no. 12 (2011): 2069–79, <https://doi.org/10.1016/j.worlddev.2011.05.013>.

Switzerland, Turkey, Ukraine, Georgia, Moldova, western Balkan nations (Serbia, North Macedonia, Albania, Montenegro, Bosnia and Herzegovina, Kosovo), and others, exemplify how states operating outside the EEA through sector-specific treaties will inevitably lead to some level of market inefficiency, with this loss presenting as the opportunity cost in potential trade.⁶ All of these countries have their own reasons for not being part of the Single Market. For some, sovereignty takes priority. For others, they could not join the Single Market even if they wanted to. These latter cases include countries like Albania who, despite their many efforts and overtures at European integration, are mired by their high levels of corruption and organized crime.⁷

The U.K., a country who was part of the Single Market for many years, is perhaps the best example of this, as there is a clear before and after. First, the dashed line in the figure below depicting EU imports of U.K. goods takes a large dip beginning in 2020 representing the U.K.—EU trade post-Brexit and pre-deal. The following spike beginning in 2021 is a direct result of the implementation of the Trade and Cooperation Agreement (TCA) deal between the two economies. Finally, the unambiguous downward trend since 2022 represents the longer-term effects of trade frictions, representative of why the U.K.'s present status quo is unsustainable.

⁶ Zsolt Pataki, *The Cost of Non-Europe in the Single Market: "Cecchini Revisited": An Overview of the Potential Economic Gains from Further Completion of the European Single Market*, EPRS Study PE 510.981, European Parliamentary Research Service, September 2014.

⁷ European Commission, *Albania Report 2025*, Enlargement Package (European Commission, November 4, 2025), Accessed March 1, 2026.



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Europe, like the rest of the world, has devoted great effort to eliminating barriers to trade since the start of the postwar period.⁹ During this time, global tariff rates have generally trended to an all time low.¹⁰ Not accounting for temporary and episodic tariff spikes, the 21st century boasts the lowest global average tariffs of any time in history, with World Trade Organization member states and General Agreement on Tariff and Trade signatories maintaining a considerably lower average than even this reduced rate.¹¹ Further still, the countries of the EEA have all but eliminated tariffs and quotas entirely.¹² In this low-tariff world, non-tariff barriers to trade increasingly become the limiting factor when it comes to international economic business and cooperation, which is why organizations such as the EU and EEA are so fixated on bringing these non-tariff barriers to trade to zero.¹³ Nevertheless, many countries take one look at the reams upon reams of EEA

⁸ Isabelle Ioannides, *EU-UK Trade Flows: Continuities, Changes and Trends*, EPRS Briefing PE 765.767, European Parliamentary Research Service (April 2025), 5.

⁹ Michael Tomz, Judith Goldstein, and Douglas Rivers, "Membership Has Its Privileges: The Impact of GATT on International Trade" (working paper no. 250, King Center on International Development, Stanford University, February 10, 2005), 2.

¹⁰ Tomz, Goldstein, and Rivers, "Membership Has Its Privileges," 2.

¹¹ *Ibid.*, 19.

¹² *EEA Agreement*, 18.

¹³ Anne-Célia Disdier and Marco Fugazza, "A Practical Guide to the Economic Analysis of Non-Tariff Measures" (World Trade Organization, 2012), 7.

regulatory law and feel that the framework of rules makes it impossible for them to ever be signatories to EEA treaties as European regulations tend to be considerably more strict than the regulations of other countries. Higher standards for sectors such as foodstuffs and digital privacy are often quite popular with consumers, but detested by businesses who face greater costs when complying with those standards.¹⁴

The core of the Single Market and EEA are the principles of the free movement of goods, persons, services, and capital as well as closer cooperation in other fields, such as research and development, the environment, education and social policy.¹⁵ The method for achieving these principles is chiefly the complex network of rules and regulations that each country has to sign off on before joining the EEA. In this way, all the members of the EEA are signatories of one cohesive body of legislation, leaving little to no disparity between the trade laws of member states.¹⁶ The disparity that does exist is categorized as the “rate of transposition of Single Market directives” and sits at around 1.1% for EEA states and 1% for EFTA states, meaning only one of every 100 trade laws in the EU differs from the Brussels standard.¹⁷ While there are no equivalent statistics for countries outside of the Single Market to measure against, it is a commonly noted phenomenon that European laws often end up spreading to associated non-member nations because of Europe’s economic weight on the international stage.¹⁸

When Brussels Gets Rotten

When EU rules and regulations are artificially imposed on non-EU entities in order to stay competitive in the all-important European market, it is known as the Brussels Effect.¹⁹ This phenomenon suggests that “by promulgating regulations that shape the international business environment, elevating standards worldwide” European law ends up “leading to a notable Europeanization of many important aspects of global commerce.”²⁰ This quote comes from Anu Bradford, who coined the term “Brussels Effect.”²¹ One of Bradford’s important conclusions from studying the Brussels Effect

¹⁴ Disdier and Fugazza, *Economic Analysis of Non-Tariff Measures*, 49.

¹⁵ *EEA Agreement*, 7.

¹⁶ *Transposition (Enforcement Tools)*, European Commission Single Market Scoreboard, December 10, 2021.

¹⁷ *Transposition (Enforcement Tools)*.

¹⁸ Anu Bradford, “The Brussels Effect,” *Northwestern University Law Review* 107, no. 1 (2012), 40.

¹⁹ Bradford, “The Brussels Effect,” 3.

²⁰ *Ibid.*, 52.

²¹ *Ibid.*, 3.

is that the EU need not work too hard, if at all, to make external actors comply with European law as market forces alone do most of the convincing.²² One of the most famous and relatable consequences of the Brussels Effect is the implementation of USB-C chargers in Apple products.²³ Upon the news of the forthcoming implementation of an EU directive that would require “standardised charging ports for mobile phones and other portable electronic devices,”²⁴ Apple coincidentally adopted this as part of its own corporate policy globally, not just in the EU.

In addition, the European community does not appreciate when countries attempt to exist only on the outer orbit of the EEA. When negotiating trade deals that would allow countries partial access to the Single Market, the EEA will try to extract as many concessions from perimeter countries as possible.²⁵ Moreover, a state’s perceived closeness to the European market is not sufficient to guarantee preferential treatment. Membership in NATO or another spiritually similar organization does not shield negotiating states from European economic might. In all of these negotiations, the EU is the Goliath. The 30 countries of the EEA are expected to amount to \$22.5 trillion dollars in GDP in 2026.²⁶ The largest European economy outside of the EEA, the U.K., is expected to total \$4.2 trillion in GDP for 2026.²⁷ Though this comparison is quite a crude one, the sheer numbers tell a damning story of negotiations between two imbalanced actors. For countries in the western Balkans, this disparity is felt even more acutely. A country like Albania, striving for European integration more than any other in the region, is expected to grow its economy to about \$32.4 billion dollars in GDP in 2026, making it orders of magnitude away from rivaling the European economy.²⁸ The raw numbers matter here because perimeter nations gain far more from Single Market access than the EU gains from accessing their markets. The key concept here is leverage. Because of the imbalance in leverage, the EU can afford to be much more cutthroat in negotiations with these countries than vice versa. The EU is the dictator of terms.

²² Ibid., 57.

²³ Zach Meyers, “If the ‘Brussels Effect’ Fades in Tech Markets, the EU Will Only Have Itself to Blame,” *Competition Policy International*, January 3, 2025, <https://www.cer.eu/in-the-press/if-brussels-effect-fades-tech-markets-eu-will-only-have-itself-blame>.

²⁴ “EU Common Charger Rules: Power All Your Devices with a Single Charger,” *European Commission*, December 28, 2024, https://commission.europa.eu/news-and-media/news/eu-common-charger-rules-power-all-your-devices-single-charger-2024-12-28_en.

²⁵ Pataki, “Cecchini Revisited.”

²⁶ *World Economic Outlook: Global Economy in Flux, Prospects Remain Dim*, IMF Report, October 2025.

²⁷ “Global Economy in Flux.”

²⁸ Ibid.

In a cruel corollary, the percentage of trade going from perimeter nations to EEA states is significantly greater than the reverse. For a country like the U.K., about 42% (48% of goods exports and 36% of services exports) of all exports were sold to Europe.²⁹ Not only does this mean that nearly half of U.K. goods are subject to highly discrepant regulations, but the 42% number also sits about 20% above the U.K.'s next most important trading partner by volume, the U.S..³⁰ Only 13.2% of EU exports are destined for the U.K..³¹ Again, the U.K. is the country with the greatest pull of those just outside of the European orbit. The more moderately sized economy of Albania, for example, sends 71.7% of its exports to Europe, while the EEA sends only 0.2% of its exports to Albania.³² The result of this imbalance is that countries on the perimeter of the Single Market negotiate with significantly more urgency, while EU states can steer the process however it sees fit.

Even when tackling the largest economy in the world, the EU has shown its ability to wield its powerful consumer market as a formidable weapon. The Brussels Effect spared no blushes for Apple, the third largest corporation in the world, despite the fact that it sits thousands of miles from single market territory. The EU is consciously aware of this power and has no reservations using it as a weighty bargaining chip. The world's largest economies and corporations adjust to European standards in order to preserve access to its sacrosanct consumer market, as seen in the Brussels Effect's impact on Apple. The tendency of global actors to bend to European law has worrying implications for the U.K., as trading on Europe's doorstep makes it considerably more difficult to resist its pull.

Comparative Analysis of the U.K. and Switzerland

Brexit was a time of major upheaval for Britain's foreign relations. Perhaps most impacted was, predictably, British trade. As part of the agreement to leave the European Union, the U.K. also left the EEA and European Single Market.³³ This meant that, overnight, Britain went from a nation enshrining all EU customs and standards in its own domestic law to a nation that was untethered and free to make all its own choices. This decoupling means a

²⁹ Matthew Ward and Dominic Webb, *Statistics on UK Trade with the EU* (House of Commons Library, UK Parliament, April 22, 2025), 15.

³⁰ Office for National Statistics, *UK Trade with the United States: 2024*, April 25, 2025.

³¹ Ward and Webb, *Statistics on UK Trade with the EU*.

³² European Commission, Directorate-General for Neighbourhood and Enlargement Negotiations, "The EU and Albania," https://enlargement.ec.europa.eu/document/download/de2675ef-51c8-44e7-bf62-3c781ef938e6_en?filename=Albania+country+fiche.pdf.

³³ Cabinet Office, *Summary: The UK's New Relationship with the EU*, GOV.UK, July 2, 2021.

lot for international trade. For one, without any kind of trade agreement with the EU, the U.K. would be a “third country.”³⁴ This would subject the U.K. to all manner of potential tariffs and excess requirements in order to access the European market.³⁵ Another problem for the long-term is that, over time and without active work to move closer together, U.K. and EU law will diverge, causing trade friction between the differing laws and adding unnecessary inefficiency and an increased opportunity cost as time passes.

The U.K. has time and time again ruled out rejoining the Single Market. Even Keir Starmer, a leader who greatly desires to move closer toward Europe, believes that rejoining the EEA would be unfeasible. In 2024, he told reporters, “I’ve been really clear about not rejoining the EU, the single market or the customs union... I don’t think that that is going to happen.”³⁶ Quite apart from the questionable political will for such an action, when the U.K. joined what was then called the European Economic Community in 1973, it was significantly easier to become integrated into Europe.³⁷ Today, Britain would be subject to a host of impossible demands for a country of its level of entrenchment. Instead, Britain has decided that the best path forward is to negotiate free trade with the EU in as many sectors as it can in order to negate the effects of acting outside the EEA. In this way, the U.K. is trying to place itself on the very outer orbit of Europe, never seeking full integration while otherwise remaining as close as possible.

The Swiss model is all about balance. Switzerland walks the fine line between maximizing European integration while retaining maximum feasible sovereignty. Switzerland achieves this by both comprehensive free trade agreements and unilaterally implementing European law into its domestic legislation.³⁸ The Swiss system of free trade agreements, having been developed over the course of more than 50 years, is considerably more advanced and coordinated than the comparatively young independent U.K. system.³⁹ Below is a chart showing the important overlaps and dissimilarities of these arrangements.⁴⁰

³⁴ *The UK’s New Relationship with the EU*.

³⁵ *Ibid.*

³⁶ Kiran Stacey, “Britain Will Not Rejoin EU in My Lifetime, Says Starmer,” *The Guardian*, July 3, 2024, <https://www.theguardian.com/politics/article/2024/jul/03/britain-will-not-rejoin-eu-in-my-lifetime-says-starmer>.

³⁷ “EU Enlargement,” European Union, Accessed March 4, 2026, https://european-union.europa.eu/principles-countries-history/eu-enlargement_en.

³⁸ European Commission, “Switzerland,” *Access2Markets*.

³⁹ *Ibid.*

⁴⁰ Aslak Berg, “Living Next Door to an Elephant: Lessons for the UK from EFTA,” *Centre for European Reform*, April 29, 2024, <https://www.cer.eu/insights/living-next-door-elephant-lessons-uk-efta>.

Policy Area	EEA	Swiss–EU Agreements	UK–TCA
Tariff-free trade for industrial goods	Yes	Yes	Yes
Tariff-free trade for agricultural goods and seafood	No	No	Yes
Alignment on regulations for goods	Yes	Yes	No
Dynamic alignment of regulations	Yes	No	No
Freedom of movement	Yes	Yes	No
Schengen membership	Yes	Yes	No
Financial contributions	Yes	Yes	No
Participation in single market for services	Yes	No	No
Seamless data flows (automatic data protection adequacy)	Yes	No	No
Institutions for monitoring and dispute settlement	Yes, separate monitoring authority and court	No	Yes, arbitral panel referring to UK and EU domestic law

Compiled by author using data from the Centre for European Reform.

Trade Deals

Post-Brexit trade between the U.K. and the EU has been governed predominantly by the EU-U.K. Trade and Cooperation Agreement (TCA).⁴¹ Fundamentally, the TCA “provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin.”⁴² This is quite a limited scope for a comprehensive free trade agreement, although when looking at countries in similar positions to the U.K., it is clear that free trade between the EU and its perimeter countries is best established over the course of many sector-specific agreements rather than one all-encompassing one, such as in the case of Switzerland.⁴³ In order to reap the benefits from zero tariffs under the TCA, products must meet the “rules of origin” requirements by proving they are sufficiently U.K. or EU-made.⁴⁴ Companies and firms must gather evidence of origin for goods or their components to demonstrate compliance.⁴⁵ Failing to meet origin thresholds can result in tariffs, despite the free trade agreement, and navigating these requirements is particularly onerous for manufacturers with complex supply chains, such as the automotive and electronics sectors.⁴⁶ This post-Brexit arrangement

⁴¹ European Commission, *EU-UK Trade and Cooperation Agreement*.

⁴² Ibid.

⁴³ “MRA Switzerland–EU,” State Secretariat for Economic Affairs, Accessed March 4, 2026, https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Technische_Handelshemmnisse/Mutual_Recognition_Agreement_MRA/MRA_Schweiz_EU.html.

⁴⁴ European Commission, *“EU-UK Trade and Cooperation Agreement.”*

⁴⁵ Ibid.

⁴⁶ Office of the United States Trade Representative, *Adapting Trade Policy for Supply Chain Resilience*, Policy Paper No. 326 (USTR, 2024), 27.

reveals that even the largest economy on Europe's perimeter cannot escape regulatory influence.

In contrast, as the only country with access on such a sectoral basis, Switzerland's network of deals with the EEA "far exceeds the scope of a usual free trade agreement."⁴⁷ The most important piece of the Swiss puzzle is the Mutual Recognition Agreement (MRA), designed as "an instrument designed to remove technical barriers to the trade of industrial goods between Switzerland and the EU."⁴⁸ In force since 2002, the MRA works by tackling exactly the problems faced by the U.K. and its comparatively lacking trade agreements.⁴⁹ For example, in order to avoid the problem of unrecognized regulatory checks, the MRA includes a clause stating that "to avoid duplication of procedures when Swiss and Community requirements are deemed equivalent, the Community and Switzerland shall mutually accept reports, certificates and authorisations issued by [conformity assessment bodies] and manufacturer's declarations of conformity certifying conformity to their respective requirements in the areas covered."⁵⁰ This provision is the result of lengthy forbearance between the EU and Switzerland, and it successfully eliminates a pressing issue in the sale of manufactured goods for both parties. For reference, as of 2016, roughly 69% of Swiss exports to the EEA and about 61% of EEA exports to Switzerland were covered by the MRA.⁵¹ This clause is a great example of how Switzerland coordinates its trade with Europe, without relinquishing much of its sovereignty, if any at all. While the TCA manages tariffs, though preserves friction, Switzerland's MRA system targets the friction itself, focusing on deeper regulatory coordination in exchange for smoother market access.

Conformity Assessments

Additionally, since the U.K. and EU are now separate jurisdictions, regulatory checks and conformity assessments apply differently, meaning goods must independently meet both U.K. and EEA standards when sold in each

⁴⁷ EFTA-Studies, "Switzerland's Sectoral Access to the EU's Single Market," February 8, 2019, <https://www.efta-studies.org/sectoral-access-to-the-single-market>.

⁴⁸ "MRA Switzerland-EU."

⁴⁹ Ibid.

⁵⁰ European Community and Swiss Confederation, *Agreement between the European Community and the Swiss Confederation on Mutual Recognition in Relation to Conformity Assessment*, Official Journal of the European Communities L 114 (April 30, 2002), [http://data.europa.eu/eli/agree_international/2002/309\(5\)/oj](http://data.europa.eu/eli/agree_international/2002/309(5)/oj).

⁵¹ State Secretariat for Economic Affairs, *Trade Statistics on the Switzerland-EU Mutual Recognition Agreement*, 1.

respective market.⁵² Even when rules remain similar, the lack of mutual recognition means duplicate testing and certification, which increases costs and is an important point in the more comprehensive free trade arrangement that Switzerland has with the EEA.⁵³ For example, a machine or toy produced in the U.K. must carry a UKCA mark for Britain and a CE mark for the EEA, requiring entirely separate conformity assessments.⁵⁴ The effect of this regulatory separation is the manufacturing of tight borders, where similar standards become duplicated costs and delays pile up. While the U.K. quite literally voted to bear these costs in the Brexit referendum, the Swiss model provides a simple solution to avoid these losses: unilateralism.

In 2010, Switzerland unilaterally adopted the Cassis de Dijon principle into its domestic law.⁵⁵ This is an opposite example to the previous case. With this action, Switzerland voluntarily sacrificed sovereignty in return for more Single Market access without Single Market obligations. Cassis de Dijon is the principle that a product legally sold in one country should be allowed to be sold in another, even if technical standards differ, unless there is a strong public-interest reason to block it.⁵⁶ In unilaterally reducing technical barriers, Switzerland harmonized its domestic regulations with Europe's rules, allowing any product legally sold in the EEA to be sold in Switzerland without additional requirements (some exceptions, mainly foodstuffs).⁵⁷ In acting unilaterally, Switzerland accepted EU regulatory outcomes without any reciprocal obligation on the EU's part and without formal influence over future rulemaking. This is a central trade-off in Switzerland's approach to Europe: greater market access and lower non-tariff barriers not negotiated through authority but rather the voluntary absorption of Single Market rules under the guise of domestic reform. In contrast with

⁵² "Using the UKCA Marking," GOV.UK, Accessed March 4, 2026, <https://www.gov.uk/guidance/using-the-ukca-marking>.

⁵³ Lucian Cernat, *The Art of the Mini-Deals: The Invisible Part of EU Trade Policy*, ECIPE Policy Brief no. 11/2023 (European Centre for International Political Economy, October 2023), 3.

⁵⁴ "Using the UKCA Marking."

⁵⁵ *Trade Policy Review: Switzerland and Liechtenstein—Summary*, WT/TPR/S/280 (World Trade Organization, April 23, 2013).

⁵⁶ "Cassis de Dijon Principle," Swiss Federal Department of Economic Affairs, Education and Research, Accessed March 4, 2026, https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Technische_Handelshemmnisse/Cassis-de-Dijon-Prinzip.html.

⁵⁷ "Special Regulation for Food," Swiss Federal Department of Economic Affairs, Education and Research, Accessed March 4, 2026, https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Technische_Handelshemmnisse/Cassis-de-Dijon-Prinzip/sonderregelung_lebensmittel.html.

the U.K.'s post-Brexit system of duplicated conformity assessments and regulatory friction, Switzerland has built its borders around minimizing costs. Through unilateral alignment with EU standards, in exchange for sovereignty and rule-making influence, Switzerland receives far smoother European market access than the U.K..

Partial Alignment

Trade in animals, plants, and foods also faces strict inspections known as Sanitary and Phytosanitary (SPS) checks.⁵⁸ “Export Health Certificates” and inspections are required for meat, dairy, fish, seeds, and other products exported from the U.K. to the EU (and vice versa), costing time, money, and patience.⁵⁹ British veterinary products, for example, must undergo certain inspections at European ports, causing delays for perishable goods. Without any veterinary agreement, every shipment must separately prove it meets EU animal and plant health standards.⁶⁰ Much of the popular discourse on the subject of regulatory alignment concerns the ability of British farmers to stay competitive in Europe. To begin with, U.K. farming is already heavily subsidized and has not yet found a sustainable business model.⁶¹ Additionally, without regulatory alignment, British farmers face repeated inspections and delays in its sensitive agricultural sector that erode competitiveness even further.

The Swiss model is not perfect either. To keep the current arrangement effective, the MRA must be periodically updated to incorporate new EU and EEA standards. When the EU introduced new medical device regulations, the corresponding MRA chapter was not updated (due to institutional disputes), creating new frictions for medical technology trade, a sizable industry in Switzerland.⁶² Without an updated agreement, Switzerland was treated as a “third country” by the EEA, meaning Swiss-made medical devices could no longer enter the EU via the streamlined MRA route and Swiss manufacturers were required to appoint an “EU Authorized Representative” and undergo separate EU conformity assessments, which Switzerland

⁵⁸ Ioannides, *EU-UK Trade Flows: Continuities, Changes and Trends*, 5.

⁵⁹ “Get an Export Health Certificate,” GOV.UK, Accessed March 4, 2026, <https://www.gov.uk/guidance/get-an-export-health-certificate>.

⁶⁰ Ioannides, *EU-UK Trade Flows: Continuities, Changes and Trend*, 11.

⁶¹ Emma Downing and Sarah Coe, *Brexit: Future UK Agriculture Policy*, House of Commons Library Briefing Paper no. CBP 8218, 4.

⁶² Miriam Fraga-García et al., “New Scenario in the Field of Medical Devices in the European Union: Switzerland and the United Kingdom Become Third Countries,” *Farmacia Hospitalaria* 46, no. 4 (July–August 2022): 244–250.

had tried so desperately to avoid.⁶³ The Swiss government acknowledged this problem as a direct consequence of not having an institutional framework with the EU, and it had to adopt contingency measures to ensure supply of medical goods.⁶⁴ As of publication, this incident has yet to be resolved and is further proof that any country remaining on the perimeter of the European orbit, no matter how extensive their integration network is, will inevitably incur costs from doing so. While the U.K. absorbs immediate border friction from a classic case of regulatory divergence in its agricultural sector, the case of Switzerland's medical technology suggests that even deep alignment without institutional integration leaves perimeter states exposed to costly disruptions.

Conclusion

Europe's economic gravity does not reward ambiguity. Not being part of the Single Market yet wanting to tap into its vast consumer market can be a vicious cycle, following European rules but never contributing to their making, covering costs with no bargaining power, and managing friction that full integration was designed to eliminate. Recent developments from tariff shocks to supply chain disruptions have brought to the surface just how tightly European economies are already bound together and market access has also shown to be increasingly dependent on simple regulatory convergence, not goodwill. For countries on the outer orbit, divergence may preserve some sovereignty, but it also multiplies transaction costs and invites constant renegotiations from a position of weakness.

If a country like the U.K., for example, has decided that joining the Single Market would require giving up more sovereignty than it is willing to do, then it should move toward a Swiss-style model of European economic relations. For the United Kingdom, tension is becoming permanent. If rejoining the Single Market is politically infeasible, then the best alternative seems to be a deliberate move toward a Swiss-style model of deeper sectoral alignment. Nevertheless, this move would not eliminate all barriers to trade. Switzerland's own experience shows that partial integration requires institutional maintenance and an acceptance of whatever standards the EU imposes, without formal voting power to change those standards. Without

⁶³ Sheila O'Shaughnessy, "EU-Switzerland MRA Expired," *mdi Europa*, May 27, 2021, <https://mdi-europa.com/eu-switzerland-mra-expired/>.

⁶⁴ "Switzerland Remains a Committed Partner to the EU Even Without the Institutional Agreement," Federal Department of Foreign Affairs, Swiss Federal Council, May 26, 2021, <https://www.eda.admin.ch/eda/en/fdfa/fdfa/aktuell/newsuebersicht/2021/05/schweiz-eu-engagierte-partnerschaft.html>.

EEA membership, no arrangement will be seamless, though one option certainly seems preferable to the others.

I have intentionally avoided resting this argument on anything particularly volatile such as transatlantic relations or Europe's evolving environmental policy (a tall barrier for entry for many states). These things may accelerate or complicate the already complex process, but they do not change its logic. The central truth endures: Europe's market is large enough that alignment occurs whether countries choose it or not. The real choice, then, is between a managed alignment that delivers stability or an unmanaged divergence that guarantees friction. Sovereignty, in this case, only means deciding how and on what terms those rules are absorbed. Economic gravity hates compromise, and everyone feels its pull sooner or later.

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