Divisions erupt at EU summit over refugees, possible British exit

Alex Lantier
19 February 2016

Talks at the first day of a two-day European Union (EU) summit in Brussels broke off last night amid rising divisions over the refugee crisis and British Prime Minister David Cameron's demands for broad changes to EU legislation in order to avoid a British exit from the EU.

The proceedings were dominated by a sense that the EU is on the brink of collapse—either due to a British exit or to conflicts inside the EU over the handling of the greatest refugee crisis since World War II, as millions flee war-torn countries including Syria and Iraq.

In his invitation letter yesterday to the members of the EU Council attending the talks, EU President and former Polish Prime Minister Donald Tusk wrote: "After my consultations in the last hours I have to state frankly: there is still no guarantee that we will reach an agreement. We differ on some political issues, and I am fully aware that it will be difficult to overcome them. Therefore I urge you to remain constructive. … There will not be a better time for a compromise."

As he arrived at the summit yesterday, Tusk said, "One thing is clear to me. This is a make-or-break summit, I have no doubts."

Arriving at the summit with demands for broad social cuts and changes to EU legislation, Cameron said, "I'll be battling for Britain. If we can get a good deal I'll take that deal, but I will not take a deal that doesn't meet what we need."

EU Commission President Jean-Claude Juncker sounded a more optimistic note, declaring, "I'm quite confident that we will have a deal," but added, "there is still a lot to discuss on some points."

Late yesterday evening, EU sources told the press that "little or no progress" had been made on the key issues. Discussions of the refugee crisis were reportedly taking a back seat to arranging a deal that would prevent a British exit from the EU.

A planned pre-summit meeting, at the Austrian mission in Brussels, between Germany, Austria and a number of Eastern European countries on the refugee crisis was called off. After German Chancellor Angela Merkel distanced herself from her call for refugees to be distributed from Germany across Europe according to quotas, Berlin aimed to have these countries press Turkey to halt refugees travelling to Europe.

Austrian officials cancelled the meeting, however, explaining that Turkish Prime Minister Ahmet Davutoglu had announced that he would not be able to attend due to the terror bombing in Ankara.

Merkel's policy of allowing refugees to transit through Eastern and Central Europe to Germany is collapsing, however, after Austrian officials said that they would limit the number of refugees they admitted. When Juncker said that he did not "like the decision", Austrian Chancellor Werner Faymann dismissed Juncker's criticism, telling reporters: "Politically I say we'll stick with it."

Faymann's statement came after an extraordinary public attack on Merkel's refugee policy by French Prime Minister Manuel Valls at this weekend's Munich Security Conference, along with criticisms from officials of the so-called Visegrad Group (Poland, Czech Republic, Slovakia and Hungary).

The central focus of the summit, however, was the deep divisions emerging among EU countries over the reactionary concessions demanded by the British government. A bitter competition is emerging between the European states over how to divide up the banking industry's profits and the attacks on the social rights of workers of different nationalities.

Cameron is calling for a broad renegotiation of EU legislation and treaties, which he is seeking as the basis for Britain to remain in the EU in a yes/no referendum currently slated for June. Yesterday, Cameron reportedly asked other EU heads of state to give him a broad set of concessions, supposedly so he can sell the deal to the British public and call for a "yes" vote.

The policies advocated by Cameron entail vast attacks on the working class and handouts to British banks. These demands include:

*an "emergency brake" limit on benefits paid to EU immigrants working in Britain, imposed for four or even potentially for 13 years of a worker's life

*more powers for the British Parliament to block EU legislation

*financial measures benefiting non-eurozone countries of the EU, such as Britain, which still uses the pound

*more measures to boost business competitiveness

Merkel said Germany opposed a "Brexit" and indicated broad support for Cameron's demands. "I think it's in our national interest that Great Britain should remain an active member in a strong and successful EU," she said. She added, "There are no points of dissent between the UK and Germany as far as social systems are concerned."

Merkel indicated concerns, however, about the discriminatory impact of some of Cameron's proposals and potential damage to the eurozone's ability to coordinate responses to financial crises.

Several leading EU politicians raised similar concerns. EU Parliament President Martin Schulz, a German social democrat, also attacked Cameron's measures, saying they "would mean that two workers, both EU nationals, paying the same taxes, doing the same work, would for a certain time not be paid the same. Allow me to say this very clearly: the European Parliament will fight against discrimination between EU citizens."

Schulz's proposed solution was also deeply reactionary, insofar as he argued that Britain should simply be allowed to cut its own social welfare benefits.

European Central Bank (ECB) President Mario Draghi said that European financial markets would remain integrated even if Britain exited the EU. He insisted that the EU maintain its power to regulate financial markets in all 28 member states, including Britain.

The issue of banking regulations and the associated struggle for bank profits has provoked sharp divisions, particularly between Britain and France. After talks with Cameron earlier this week, officials at the Elysée presidential palace said there was "still work to be done, especially on the issue of economic governance."

In a letter to French President François Hollande expressing concerns with Cameron's proposals, Frédéric Oudéa, the CEO of the Société Générale bank, warned, "If the plan is adopted in its current state, it would put an end to fair competition between financial actors [and] create a risk of 'regulation of the lowest common denominator'." That is, British banks would be exempt from stricter EU regulations while continuing to enjoy access to the eurozone financial markets.

Reports late yesterday suggested that the Visegrad countries had been sidelined in talks of deep cuts in social benefits imposed by Britain, and potentially other EU countries, to immigrant workers from Eastern Europe.

In the run-up to the talks, however, they opposed the measure, with Czech Prime Minister Bohuslav Sobotka declaring: "I have no doubts there is an extra mile to walk. … We look with criticism at the parameters of the adjustment of child benefits and the conditions of the so-called 'emergency brake'."