Brexit talks with EU to proceed after climbdown by UK prime minister

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9 December 2017

The European Union (EU) will likely allow the UK to move on to the next stage of discussion on the terms of Brexit, focusing on a future trading relationship.

President Jean-Claude Juncker signed a 15-page “progress report” yesterday, allowing EU negotiators to recommend negotiations proceed next week. This followed UK Prime Minister Theresa May’s decision to accept all the central conditions demanded by the EU.

Friday’s early morning meeting between May and Juncker took place after hours of horse-trading with the Democratic Unionist Party (DUP), the main unionist party in Northern Ireland, to arrive at a formulation also acceptable to the Republic of Ireland—an EU member state.

In the process, May fudged the question of relations between Northern Ireland and the Republic in a way that gives the Democratic Unionist Party the ability to determine the viability of any final agreement reached.

May first went to Brussels on Monday, but could not secure an agreement with Juncker because the DUP—on whose 10 MPs the Conservatives rely for a majority--rejected a formulation designed to prevent the establishment of a “hard” customs border between Northern Ireland and the Republic. The DUP regarded May’s proposed negotiating position--that there would be “regulatory alignment” with the EU post-Brexit—as a threat to Northern Ireland’s unity with the rest of the UK.

A subsequent declaration by Brexit Secretary David Davis that this formula would apply to the whole of the EU, did not satisfy DUP leader Arlene Foster, who insisted on six “substantive amendments” to the proposed agreement. The most important are contained in paragraphs 49 and 50, which seek to satisfy all negotiating parties—Dublin, Belfast and Brussels—along with hard-line Brexiteers and former Remainers in the Tory Party.

Paragraph 49 now explains that the UK is committed to leaving the Single European Market and the Customs Union, while "avoiding a hard border." Even if no agreement can be reached, the UK “will maintain full alignment with those rules of the Internal Market and the Customs Union which, now or in the future, support North-South cooperation, the all-island economy and the protection of the 1998 [Good Friday] Agreement."

Paragraph 50, insisted on by the DUP, states that there will be “no new regulatory barriers” between Northern Ireland and the rest of the UK and that the UK “will continue to ensure the same unfettered access to Northern Ireland's businesses to the whole of the United Kingdom internal market."

This is effectively a pledge for a “soft Brexit”, i.e., the UK leaving the single market and customs union while securing a deal that gives unfettered access to European markets. Paragraph 49 might speak of “specific solutions to address the unique circumstances of the island of Ireland,” but regulatory alignment, as Davis made clear, is a policy for the entire UK--even in “the absence of agreed solutions.”

May has essentially agreed that this means accepting EU trade rules--with all that this implies for other aspects of EU legislation.

The hard-Brexit wing of the Tories, including Davis, Foreign Secretary Boris Johnson and Michael Gove, have nevertheless welcomed the deal. This is in tacit recognition that European trade is vital to the UK and is a primary concern of finance and business circles, who would respond ruthlessly to any political brinksmanship at this dangerous stage.

For the same reason they have made no substantive criticism of May’s other concessions to the EU which

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have crossed every "red line" they once proclaimed as the reason for Brexit.

The "progress report" puts paid to nationalist Brexit pledges that the UK would "free" itself from EU judicial authority and halt EU immigration. The authority of the European Court of Justice (ECJ) is upheld--firstly over preserving the rights of EU citizens now living in the UK who are guaranteed the right to stay, along with their partners and children.

However, the ECJ is accepted as "the ultimate arbiter of the interpretation of union law," so that UK courts must "have due regard to relevant decisions" of the ECJ after departure from the EU for at least another eight years. According to EU council president Donald Tusk, this also includes all ECJ rulings made during the specified two-year transition phase after departure. Even after the eight years, he added, future participation in EU programmes "will require the UK to respect all relevant union legal provision."

According to British officials involved in the talks, the "divorce settlement" agreed with the EU is estimated to be between €40 and €45 billion. The UK is committed to honouring outstanding EU liabilities over at least a decade, as if it "remained a member state".

Writing in the *Financial Times*, Philip Stephens was scathing, describing "a humiliating and yet wholly predictable rendezvous with reality." He predicted that in phase two "the discussions on a framework for the future relationship will be more brutal still."

Stephens attributes this to "fundamental asymmetry" between the UK and the EU that "has emptied of all meaning any description of the process as a balanced negotiation."

This is the scenario feared by the most powerful sections of the British bourgeoisie, which opposed Brexit in the June 2016 referendum. Many in ruling circles hope that Brexit can be stopped, or at least that the EU will agree terms that are not punitive due to mutual economic and political interests. Prior to the renewal of talks, Juncker made it known that he would do all he could to secure an agreement as he feared May would not survive. Germany was made more anxious by its own political crisis, with Chancellor Angela Merkel seeking a renewed grand coalition with the Social Democrats to form a government.

But the EU is setting an agenda in its own interests and not those of the UK. Tensions between the imperialist powers will inevitably deepen, particularly if the government continues efforts to play off its alliance with the Trump administration in the US against Berlin and Paris.

The speech this month by Germany's acting foreign minister Sigmar Gabriel, urging European nations "to define our own position and, if necessary, draw red lines" in relation to the US, underscores the dilemma facing British imperialism. With Gabriel warning that "as a matter of course" the EU will be seen "as a competitor" by Washington, the UK's efforts to straddle the Atlantic cannot be met favourably. The EU will insist that Britain decide where its political, economic and ultimately its military loyalties lie.

In such conditions, no one should believe that the pro-Brexit wing of the Tories has surrendered to the inevitable collapse of their perspective.

Foster has expressed the DUP's continued reservations about the final text, stressing how she had "cautioned the Prime Minister about proceeding with this agreement in its present form given the issues which still need to be resolved and the views expressed to us by *many of her own party colleagues* " [emphasis added]. She pledged to work with "like-mind colleagues across the House of Commons" and said, "Nothing is agreed until everything is agreed…"

The leading figures in the far-right UK Independence Party (UKIP), all with close relations to President Donald Trump and his fascistic adviser, Steven Bannon, were scathing. Former UKIP leader Nigel Farage has urged the Tories to move against May. His co-thinker and financial backer, Arron Banks, urged, "If anyone in the Conservative party has any integrity or sense of duty left, we call on them now to save Brexit by triggering a leadership contest. Tory backbenchers, get writing to the 1922 Committee and help save your country. She has got to go."

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