

Britain and European Union on collision course in Brexit talks

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The European Union and the British government presented documents this week outlining their goals for upcoming talks on their future relationship. The documents contradict each other so sharply that an agreement seems all but impossible. Bitter conflicts with unpredictable economic, political, and social implications are immanent.

British Prime Minister Boris Johnson has threatened to break off talks if an agreement is not in sight by the end of June. London would then focus its preparations on a no-deal Brexit when the transitional period expires at the end of 2020, Johnson said.

For his part, EU chief negotiator Michel Barnier stated that he expects “extremely difficult talks.” “We will not reach an agreement at any price,” he warned.

The 27 ministers from the EU member states agreed on red lines for the talks on Monday. They are offering Britain a free trade agreement with no tariffs or quantitative restrictions, but only if London sticks to the majority of EU rules and regulations.

In concrete terms, the 46-page document refers to rules for state assistance to private companies, economic competition, state-owned companies, labour and social welfare regulations, environmental standards, climate change and related taxes, all of which must be in line with EU policies.

These demands are being justified with reference to “fair competition.” European social democratic politicians in particular are leading calls to oppose “wage dumping” and the “junking of environmental regulations,” which is an absurdity if one considers the miserably low wages workers are forced to accept in Eastern Europe, Greece and other countries.

There are two reasons why the EU is adopting such a hardline approach.

First, it is focused on securing its own economic

benefits. The main issue is “to protect the interests of the Europeans,” commented French State Secretary Amelie de Montchalin. France has long been pushing for even tougher language in the passages of the document dealing with competition. EU Commission President Ursula Von der Leyen warned at the beginning of the month, “There is no free pass into the common market, but merely rights and obligations.”

The second reason is the fear of a break-up of the EU if concessions are made to London. Eastern European countries could feel emboldened to demand a relaxation of regulations from Brussels.

German and French government officials have therefore repeatedly praised the unity with which the 27 member states have approached the negotiations with London. “We cannot allow ourselves to be divided,” remarked German State Secretary for Europe Michael Roth. French State Secretary de Montchalin enthused, “The unity among us is complete.”

One can be certain that behind the scenes a large number of “offers you can’t refuse” are being made to retain this unity.

For Johnson and his government of hard Brexiteers, these conditions are unacceptable. One of their main goals in their Brexit campaign was to free themselves from the EU’s rules and regulations so as to press ahead with the deregulation of the economy.

Although the British negotiating mandate calls for “a liberalised market for trade in goods, with no tariffs, fees, charges or quantitative restrictions on trade in manufactured or agricultural products,” it opposes the EU conditions connected to this. London also wants to negotiate certain issues separately, including those in which it feels it has a strong position or particularly vital interests.

For example, it wants to “regain control over our

waters” by allowing EU fishing boats only limited access to lucrative British fishing grounds, in line with a quota system to be revised each year. This threatens the livelihoods of many French and Spanish fishermen.

The British government also demands “an agreement on equivalence on financial services to be decided before the end of June.” Additionally, it no longer intends to accept rulings from the European Court of Justice, or European arrest warrants and arbitration rulings.

The British government categorically opposes lengthening the 11-month transitional period during which nothing changes in the relationship between London and the EU, even though experts say it will be virtually impossible to reach a deal within this time frame.

Michael Gove, the minister responsible for Brexit, told the House of Commons that there “should be no doubt: At the end of the transition period, on December 31, the United Kingdom will fully recover its economic and political independence.” He added, “We want the best possible trading relationship with the EU, but in a pursuit of a deal we will not trade away our sovereignty.”

Opponents of Brexit believe that Johnson has already decided to prepare for a no-deal exit. Scottish National Party spokesman Pete Wishart described the British government’s offer to the EU as “a load of bunkum, baloney and codswallop.” He continued: “This is nothing other than a routemap to the cherished no deal—the real ambition of these Brexit zealots.”

The economic consequences of a separation without an agreement would be horrendous for both sides. Trade relations would be regulated only by the terms of the World Trade Organisation (WTO), with correspondingly high tariffs. Trade between the EU and Britain, which in 2017 amounted to goods worth a total of £423 billion, would collapse. International supply chains would be broken by tariffs and long delays, and access for banks and service providers would be restricted.

But although economic experts and industry bosses are warning of the consequences of failing to reach an agreement, London and Brussels are on a collision course. The reason for this seemingly irrational behaviour is the advanced stage of the bankruptcy of global capitalism.

The struggle for markets and profits is resulting in the incitement of nationalism and war, as it did a century ago. Donald Trump’s slogan of “America first” has been translated into every language and dialect.

The working class cannot afford to tie its fate to any of the competing camps. Instead, it must unite its forces in a cross-border struggle against war, social spending cuts and dictatorship. The British section of the International Committee of the Fourth International refused from the outset to join either the Brexit or remain camps. The Socialist Equality Party called for an active boycott of the Brexit referendum and continues to fight for the international unification of the working class in the struggle for the United Socialist States of Europe.



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