

Brexit deal paves way for further conflicts

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Britain and the European Union (EU) are set to ratify the trade deal agreed on December 24. The deal between the UK and the EU's 27 countries covers trade worth around £660 billion and preserves tariff and quota-free EU-UK trade for goods.

Agreement on the “EU-U.K. Trade and Cooperation Agreement as of January 1, 2021” formally concludes the Brexit process which began in June 2016, when the UK voted in a referendum by a slim majority to leave the EU.

The deal is being rushed through the UK parliament Wednesday, after just one day of debate on a 1,246-page document. Conservative Prime Minister Boris Johnson has an 80-seat majority and support for the deal from the main opposition Labour Party. Only the Scottish National Party (just 47 MPs) and Liberal Democrats (11) are pledged to vote against.

EU ambassadors met in Brussels yesterday to approve the deal, initiating the process for adoption. The EU can provisionally implement it on January 1 with the approval of EU countries, but without the consent of the European Parliament. The European Parliament is expected to ratify it sometime in February.

The agreement was reached just days before the December 31 deadline. Britain left the EU in January, via its Withdrawal Agreement with Brussels, and entered a one-year transitional phase. Without the deal agreed last week, the UK would have left the EU in a “hard Brexit” and been forced to trade on World Trade Organisation terms and via a complex tariffs system.

The trade talks were fractious, with both sides engaged in grandstanding and threats up to the last minute. Both sides were forced to make concessions, particularly the UK on fishing rights.

As the talks concluded, Johnson was massively undermined by the November US presidential election victory of Joe Biden over Donald Trump. The victory

of the Democrats, whose hostility to Brexit is well-known, was a boon to the EU. The Tory government’s Brexit strategy had leaned heavily on a slavish adherence to Donald Trump’s “America First” agenda and his hostility to the EU.

With both sides wanting a deal, the agreement, with many issues left unresolved, was all that could be achieved in a global situation dominated by escalating trade conflicts between the major imperialist powers.

Ultimately, the deal does nothing other than set the short-term parameters of the ongoing conflict between the UK and EU. It is the fullest expression to date of the vociferous tensions that are tearing the EU apart, bringing into sharp relief global tensions that have erupted between the US and Europe, with the UK the main fault line.

It is inevitable that the issues the negotiations were unable to resolve will become the focus for major geopolitical conflicts.

The document has nothing to say on foreign policy, defence and security. On many of these issues, the UK is aligned with the US, and Britain will continue to be pitted against the EU even as Biden seeks other allies on the continent. In the run-up to the agreement, the UK had already exited a raft of EU security and defence arrangements, including Galileo, its Global Satellite Navigation System.

There is nothing in the deal on financial services, an area where Britain is a global leader with a £132 billion industry that accounts for almost 7 percent of GDP. In 2018, financial services employed more than one million people, with London accounting for 49 percent of the sector’s output.

The *Financial Times* reported that Brussels told London that it “will need to wait until after January 1 to learn what market access rights its financial services companies will have in future, warning that they will hinge on how far Britain diverges from EU standards.”

Agreement had been reached earlier that access to each other's financial services markets will be based on an "equivalence" of regulatory systems. But Brussels is getting its retribution in first, fully aware of the inevitable moves by London to gain economic advantage by undercutting the EU on workers' protection rights, environmental standards, and other regulations Britain is no longer tied to.

Announcing the deal, Johnson made clear his intention to establish a "Singapore-on-Thames" in direct competition with the EU. What "we're jointly creating", he declared in a speech on December 24, is a "giant free trade zone." The UK would now "be able to decide how and where we are going to stimulate new jobs and new hope, with freeports and new green industrial zones." Applications are already in for 10 freeports around the UK, based on offering corporations low taxes and a cheap labour force, including on the Thames in London.

Johnson gave his first post-deal interview to the *Sunday Telegraph*, with the newspaper noting how the prime minister signalled that "he would be ready to rip up the agreement should Brussels 'regularly' attempt to take retaliatory action." Business taxes and regulations would be pored over, with Chancellor Rishi Sunak, the main proponent of freeports, "doing a big exercise on all of this".

The Brexit deal pits the working class into conflict with the most ruthless and rapacious sections of the ruling elite, who view Brexit as their great opportunity to complete "the Thatcher Revolution".

The reactionary claims propounded by the Left Leave campaign in 2014—headed by the Socialist Workers Party and Socialist Party—that Brexit would ever be anything other than a Thatcherite nightmare for the working class have been exploded. As the deal was being finalised, the SWP commented pathetically in a *Socialist Worker* piece headlined, "Brexit could have meant more than this," that the "Tories have come up with various versions of Brexit designed to make it even easier for the bosses to exploit people. They hanker after a Singapore on Thames' where workers' rights are shredded and racist laws are strengthened."

Who would have thought that the Tories would consider such a thing?

The other great myth left shattered is the claim of the Remain section of the ruling elite and its supporters that

the EU was or could ever be a restraining influence on the "free market" worshipping Brexiteers and offer a progressive way forward for workers. The entire European continent is wracked by social inequality, with far right forces being deliberately cultivated to wield as a weapon against the working class. Moreover, Brussels is a just as committed to trade war as London.

The vicious pursuit of the class interests of all the European powers was clear even in the timing of the agreement. This year has witnessed the largest preventable loss of life on the continent since World War II, with over 525, 000 succumbing to a deadly disease. Over 71,000 officially and at least 80,000 according to other authoritative estimates have died in the UK alone from COVID-19. But at no point did anyone on either side suggest that perhaps the UK leaving the EU might be delayed, even though, as is confirmed by the chaotic scenes at the port of Dover, the distribution of food and medicines was threatened, including the vaccine for COVID-19.

The Socialist Equality Party (UK) and our sister parties in the International Committee of the Fourth International opposed from the outset all factions of the ruling class in the Brexit debacle. Today we again insists that the only progressive answer to the social and public health crisis now facing millions is to mobilise the working class in a unified internationalist and socialist opposition to the nationalist, pro-capitalist politics of the ruling class in a fight for the United Socialist States of Europe.



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