

UK-EU draft deal pleases neither side of ruling elite's Brexit divide

By Chris Marsden
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The agreement reached Monday on a proposed transition period to Brexit, between March next year and December 2020, testifies to the extraordinarily weakened position not only of Prime Minister Theresa May's government, but of British imperialism.

Struck against the background of demands for unified action against Russia over the Kremlin's alleged poisoning of double agent Sergei Skripal, the agreement gave expression to rising national antagonisms between the UK and its European rivals.

Even as the City of London and business circles welcomed an agreement that hopefully prevents a "cliff-edge" and "hard Brexit," commentators on both sides of the Brexit divide agreed that the UK had been forced to make major concessions.

Pro-remain and pro-Brexit forces concurred that the deal was on the EU's terms. Pro-EU forces worried that it could still unravel, while the hard-Brexit wing of the Conservative Party cried betrayal, while urging acceptance on the basis that Brexit was now an accomplished fact.

The transition period will only begin if both sides reach a legal Article 50 withdrawal agreement. Given that the text is colour-coded—green denoting full agreement, yellow denoting agreement in principle—commentators noted large sections of the document—around a quarter of its length—have no highlighting at all. However, quantity is less important here than quality. There remain substantive differences that could see any deal unravel.

The key issue, which could yet cause the May government to fall, is the status of Northern Ireland. The draft agreement indicates that the UK has been forced to accept that Northern Ireland and the Irish Republic will stay in "regulatory alignment." This would prevent the restoration of a hard border—based on accepting a "backstop" arrangement in which Northern Ireland stays in the EU's single market and customs union.

When this was proposed by the EU in December, the Democratic Unionist Party (DUP) was incensed. May's majority depends on the backing of the DUP's ten Westminster MPs. She therefore declared that no UK Prime Minister could agree to the backstop arrangement outlined by the EU, which could "threaten the constitutional integrity of the UK by creating a customs and regulatory border down the Irish Sea."

This is now the de facto backstop—with the sole proviso that both sides are working towards technological and legal alternatives that might avoid a hard border without the necessity for full regulatory alignment.

In Brussels on Monday, Brexit Secretary David Davis said the UK's goal is to achieve a "partnership that is so close as to not require specific measures in relation to Northern Ireland." In the meantime, he suggested that the "backstop" the UK eventually agreed to would be one "acceptable to both sides."

This is a fudge that will ultimately have to be resolved one way or the other.

For the Republic of Ireland, Deputy Prime Minister Simon Coveney declared that "in the absence of agreement the UK will maintain full alignment with the rules of the customs union and single market to protect North South cooperation, an all-island economy and the Good Friday Agreement. That is pretty clear to me what that means."

Speaking alongside Ireland's Prime Minister Leo Varadkar Tuesday, German Chancellor Angela Merkel fired her own shot across the UK's bow, declaring, "We heard yesterday with great joy that there was a consensus between the EU and the UK on the transitional phase. But of course we know that there are still a lot of problems to resolve, especially the border issue in Northern Ireland, which is very sensitive and central. Germany fully supports the Irish position here."

This will not be acceptable to the DUP and raises the

issue of how such a “regulatory alignment” will be possible without the same rules applying to the rest of the UK.

The dangers of this “ambiguity” were stressed in an op-ed for the *Independent* by Jonathan Powell, the chief negotiator for the Blair Labour government in the peace talks culminating in the 1998 Good Friday Agreement—based on power-sharing between designated Republican and Loyalist parties.

“The Good Friday Agreement was all about identity,” Powell wrote. “People in Northern Ireland could feel British, Irish or both because there is no visible border. Once we again block off the small back roads with huge concrete slabs to stop smuggling and put in checkpoints on the main roads we reopen the issue of identity.”

“That does not mean we are automatically tipped back into the Troubles again ... but it does mean we force Northern Ireland back into identity politics.”

For the pro-Brexit Tories, the deal entails abandoning large tranches of their programme for leaving the EU. Britain must abide by European Court of Justice (ECJ) rulings during the transition and continue paying into the EU budget until 2064—meaning that it will repay in full the £35-39 billion divorce bill demanded by Brussels. It also agreed to grant EU citizens full rights, including free movement, during the transition, with ECJ oversight until 2027.

The UK will have no representation or say in the EU decisions it must uphold for the 21 months from next March. It can negotiate trade deals during the transition, but only if they do not become operational until after Brexit—more than four years after the referendum vote.

It agreed that EU vessels will have continued access to UK fishing waters.

Plotting against May’s leadership will continue.

The hard-line Brexiteers tempered their criticisms, happy that Brexit is being timetabled earlier than the two-year transition initially sought. But former leader Iain Duncan Smith told the BBC, “It appears that at least through the implementation period nothing will change and I think that will be a concern and the government clearly has to deal with that because a lot of MPs are very uneasy about that right now.”

The former leader of the UK Independence Party, Nigel Farage, called for “Theresa the appeaser” to be removed from office.

One of May’s major rivals for leadership, Jacob Rees-Mogg, has put himself at the head of a protest by fishermen, whose leader, Alan Hastings, founder of

Brexit campaign group Fishing for Leave, said the industry now faced “obliteration” and accused Davis of “abject surrender.” To ride the anti-May wave, Rees-Mogg plans to throw fish from a boat into the Thames outside parliament.

There are major concerns for business as well. The shorter transition period cannot be extended; therefore any problems will only create another “cliff-edge” further down the line. The future relationship with the EU cannot be negotiated until the transition is over—meaning the Confederation of British Industry’s statement that the deal “lifts a cloud of uncertainty” is not true.

The pro-Brexit *Telegraph* editorialised, “The Brexit transition agreement could yet lead Britain into another cul-de-sac.” But the most scathing and politically damaging verdict for May came from the *Financial Times*, which is for a “soft-Brexit” or reversal of the referendum, as desired by the City.

It described the deal as “A Brexit withdrawal agreement in name only.”

“The UK’s exit from the EU will be largely on the EU’s terms. On almost every substantial point, the UK has accepted the EU’s position.” And once the UK is outside the EU, “It may not be legally possible for the EU to amend the agreement. So a new cliff edge is created...”

The FT said the right to negotiate trade deals prior to Brexit “is an illusory power. No serious potential trading partner will want to enter into an agreement with the UK until the ultimate trading relationship with the EU becomes known.”

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