

BREXIT TALKS: THE UK INSISTS NEGOTIATIONS MUST BE BETWEEN "SOVEREIGN EQUALS"

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From the start of the Brexit process over three years ago, Britain has been holding out on a series of issues regarding its future relationship with the EU which underscore how little has changed in these last years.

The main contentious issue for the UK by far, is the UK's refusal to be bound by EU alignment on legislation and by the ECJ's jurisdiction and rulings, leaving the UK as close as ever to trading with the EU on WTO terms in 2021, irrespective of the economic and social damage of the coronavirus pandemic looming on the horizon.

UK officials insist that "constructive discussions are taking place between the two sides but that these basic lines will remain unchanged" with Cabinet Minister Michael Gove insisting on April 27th that "the EU's behaviour suggests that they regard the UK not as a fully sovereign independent state, but as a state which is in association agreement-style relationship with the EU".

Despite both sides being on the brink of a major recession caused by the coronavirus pandemic, the UK has rightly made it clear that fully exiting the UK membership of the EU single market beyond December 2020 would "prolong business uncertainty and delay the moment of control of our borders. It would also keep us bound to EU legislation at a point when we need legislature and economic flexibility to manage the UK's response to the coronavirus pandemic". The EU has not understood section 38 of the Withdrawal Agreement Act 2020, which categorically asserts the supremacy of the United Kingdom Parliament notwithstanding and over the Withdrawal Agreement.

The EU also insists in particular on a direct role for the ECJ in dispute settlement on criminal, justice and law enforcement. The UK, on the other hand, states it will not be required to accept EU law, either in terms of concepts, specific provisions or giving it a role in deciding disputes. The UK is also rejecting the EU's request to change its domestic laws by implementing the European Convention on Human Rights.

As for the EU's stubbornness on the politically sensitive topic of fisheries, the UK insists on a separate fisheries framework agreement involving annual negotiations over access and sharing opportunities, modelled on the EU's fisheries agreement with Norway. EU diplomats see this move as Britain seeking to maximise one of its best areas of leverage in the talks, as securing continued access to the rich UK fishing grounds is one of the EU's top priorities.

Some progress has perhaps so far been achieved by both sides on trade policy in terms of convergence related to market access, customs, trade remedies and technical barriers. The UK however will not adhere to the so-called "level-playing field", whereby London would still have to comply to EU single market standards in future and to state subsidy rules. The latter are the result of decades of manipulation particularly by Germany and France and their predominant role within the

European Commission which has resulted in creating ongoing advantages in areas such as steel and coal amongst others. The Johnson government has categorically ruled out plans to lower labour and environmental standards and will have to rule out the problem generated by state subsidy rules.

Despite UK officials insisting that "constructive discussions took place between the two sides", bottom lines remain unchanged so far, with disagreements over sovereignty, legal autonomy, financial services, professional qualifications and fishing rights threatening to stall Brexit talks.

As Germany has continued to dominate the EU decision making for decades but often keeps under the radar, leaving the public statements to be made by the European Commission, it is now preparing to take over the rotating Presidency on July 1st. In the meantime, ambitious plans for redefining the bloc's relationship with the UK are also being drafted. In the words of Markus Tons, Head of the Bundesbank European Affairs Committee "it is a stroke of luck that Germany is taking over the Presidency of the Council at this moment ... We are the largest and strongest economy, we have come through the pandemic best, and this is why now we bear the greatest responsibility for ensuring that Europe emerges from the crisis and that the issues arising are resolved".

Perhaps, in this context, he might as well have added, "because the EU, is a goldmine for us, and we are not going to give it up".

The 23rd of June will mark the 4th anniversary of the UK's decision to leave the EU, just as the 8th of May is the 75th anniversary of V Day. Despite the UK having been out of the bloc since January 31st, Mr Barnier's remarks that "the reality is to find the best relationship possible between a market of 66 million and a market of 436 million" also betray the underlying avoidance that the EU has Germany, by now, steadily at the helm of the EU market decision making. However, the UK's future relationship with the EU will not be resolved solely on EU/German terms, as in most EU policy making disputes. It will, most likely, head towards a showdown in the autumn, as London will refuse to request an extension to the current transition period terminating at the end of the year.