

# The EU's unreasonable demands are to blame for the present stand-off

*CIB affiliate organisation the **Labour Euro Safeguards Campaign (LESC)** explains why the EU's unreasonable negotiating demands are to blame for the present stand-off. This article is taken from LESC's latest bulletin, the full version of which can be downloaded at the end of the article.*

No deal between the UK and the EU had yet been agreed. Mixed messages are still constantly being received – sometimes indicating that a breakthrough is imminent, while at other times that the differences are still too wide to be bridgeable. It was always predicted that these negotiations would go to the wire, and this is what is happening.

If there is failure to reach agreement, the EU may blame the UK for having initiated negotiations to withdraw from the EU in the first place. But given the decision that was taken by the British people in 2016, it is hard to avoid the conclusion that the EU has tried to drive too hard a bargain with the UK.

The 'level playing field' issue is a prime example. This concerns whether the EU should have continuing rights to monitor and curb industrial policy and subventions after the UK has left the EU. This is a particularly sore point because the scale of subsidies to industry in the EU, particularly in Germany, is much higher than it has been in the UK.

All trade agreements entail some curtailment of sovereignty, not least because they have to have agreed, binding procedures to deal with the disputes will inevitably arise. The standard way in which this is done is through arbitration – in trade

disputes normally through the WTO – with each side presenting its case for independent assessment.

This is not, however, what the EU envisages for the UK post-Brexit. Their proposal is that the ECJ should be able to decide unilaterally whether the UK is sticking to the terms of the agreement or not. Both the level playing field and the ECJ jurisdiction stance taken by the EU are in sharp contrast to the provisions agreed in the EU-Canada CETA free trade agreement, for example, where no such obligations exist.

It is surely the case that the only realistic general negotiating strategy which the UK could have adopted to follow through faithfully the EU referendum result is broadly the one which our negotiators have pursued. The UK voted in the 2016 referendum to become a country outside the European Union, which in all logic entailed it leaving the EU's Customs Union and the Single Market. It would also no longer be subject to the jurisdiction of the ECJ, and therefore fully in a position to determine its own economic strategy, to control its own borders, and to make its own laws.

Of course, there are some limitations of sovereignty involved in any trading agreement, but these are normally settled by well-established international procedures between countries enjoying the same independent status. It is the refusal of the EU to accept that this is the case over the level playing field which has largely precipitated the present stand-off. EU intransigence over fishing rights and the movement of goods between the British mainland and Northern Ireland have added to the difficulties.

It is understandable that the EU should wish to maintain the integrity and stability of its Customs Union and Single Market, but this does not need to entail control over UK policy. Instead, it needs to involve acceptance by the EU that the UK wants to maintain close and friendly relations with the EU, but on an intergovernmental basis rather than as part of

the same political entity. Trying to keep the UK in lockstep with the EU after Brexit by keeping the UK under ECJ jurisdiction is not therefore a realistic long-term strategy.

Asking the UK to accept a subservient status in regard to our vital interests, a status which no fully independent country could in good faith be asked to accept, is not a reasonable stance for the EU to adopt.

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