UK: Boris Johnson's Brexit heralds race to the bottom

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Whatever a narrow majority of the electorate imagined they would get when they voted to Leave the European Union, the strategists who planned Brexit knew exactly what they wanted. Nigel Farage? s UKIP and the European Research Group with Jacob Rees Mogg, like their co-thinkers in the USA, believed that capitalism needed to be revitalised by getting rid of state-enforced regulations and treaties.

In this, they had the support of the more entrepreneurial sections of British capital, people like James Dyson and JC Bamforth, who had built their own companies, often against already entrenched corporations. In addition, they were heavily funded by hedge fund parasites like Crispin Odey. For different reasons, smaller scale capital, more closely tied to local economies, also shared their hostility to government regulation, especially foreign government regulation.

If deregulation and dismantling of protective legislation was the strategy of this small and unrepresentative minority, their tactics were to exploit the undoubted discontent of many workers and to focus it on ?Brussels bureaucrats? and immigrant workers. In this, they benefitted from the support of the right wing media barons, prepared to lie through their teeth ? ?£350 million per week for the NHS?, and resort to the most thinly disguised racism, ?80 million Turks could come here!?, summed up in the key slogan, ?We must take back control of our borders?.

They were also aided, on a much smaller scale admittedly, by the supposed ?far left? organisations; the Communist Party of Britain, the Socialist Workers Party and the Socialist Party, who spread the illusion that Brexit could somehow open the way to a left government that would introduce a radical programme of nationalisation and welfare reform. Why a recently elected Tory government could be expected to do that remains a mystery.

Victory, however, presented the Brexiteers with a problem; although they had the support of most of the membership of the governing Tory party, they were not well-represented in its leadership whose ties were rather to the long-established sections of big capital, with their close relations with the state machinery of both UK and EU.

Theresa May, previously a staunch Remainer, emerged as the compromise leader; prepared to accept Brexit but determined to do everything possible to maintain close links to Brussels, a position that was later lampooned as Brexit In Name Only.

May was lucky to survive the debacle of her hastily called general election in 2017, her narrow victory gained by the actions of the right wing of the Labour Party which we now know set out deliberately to sabotage any possibility of Jeremy Corbyn becoming Prime Minister. Her own right wing, however, impatient for completion of the break from Brussels while Trump was still in office, made her position
With Boris Johnson, the Tories gained a leader who was in some ways perfectly suited to the occasion; in public full of bluster about No Deal being better than a Bad Deal, in the privacy of the negotiating room he got Brexit done? by accepting that Northern Ireland had to remain subject to EU customs regulations and, therefore, there had to be a border between Great Britain and Northern Ireland.

Johnson?s problem was that the Brexiteers? clear preference for No Deal was a recipe for economic disaster, particularly after Trump?s defeat. The representatives of mainstream British capital no doubt spelled this out to him in no uncertain terms. His solution was to spin out negotiations by appearing, in public, to insist on terms that Brussels could not possibly accept, this time on fishing rights, thereby running down the clock until the very last moment. Then, he simply did a deal on fishing that could have been done at any time in the previous year.

Early summaries of the Free Trade Agreement suggest that, although there is no longer a role for the European Court of Justice, the UK has agreed that either side can impose tariffs on specific goods if the other side tries to undercut costs by changing, for example, environmental protection rules or labour rights.

Johnson may boast that he got Brexit done? but the reality is that there will be constant haggling over the details not only of trade but of production, for example, over the use of foreign sourced components in supposedly British goods. Such friction will no doubt be used by the Daily Mail and the rest of the gutter press to carry on stoking up racism, blaming Europe? for every setback.

Since accelerated deregulation? was the main objective of the Brexiteers, the deal may appear to be a pyrrhic victory for them. Certainly, the defeat of Trump is a blow to their plans. So, too, is the trade war between the USA and China. Both had been touted as trade partners that could replace the EU, promising a golden future? for an independent? Britain. Another Johnson mirage. Equally, the trade deals that Liz Truss has agreed with other countries, the latest with Turkey, do nothing more than maintain the terms the UK already had within the EU.

As far as manufacturing and export of goods are concerned, then, Brexit is likely to mean further decline. Britain, however, is not a major manufacturing economy; financial and professional services far outweigh production, but much of these sectors is not covered by Johnson?s deal. On the contrary, the EU has said it will only decide on UK access to financial trading after the end of the ?transition period?.

It remains to be seen, therefore, whether the City of London can retain its position as a global centre for finance but, within the UK, it will no doubt continue to demand further privatisation of state assets and repayment of the huge loans made to government during the pandemic crisis.

What is also certain is that, in a world of increasing inter-imperialist rivalry, the deal?s terms will offer no lasting protection for workers? rights and jobs, and that will be true on both sides of the Channel. Much has been said about the ?equivalence? clauses in the deal, which are said to be a protection against UK bosses lowering standards to undercut European rivals. However, any actions against such changes can only be brought after their introduction. That means they can be in force while ?negotiations? drag on.

There is nothing to stop EU employers maintaining ?equivalence? by introducing similar changes themselves, sparking a race to the bottom as far as health and safety, environmental protection, working conditions and pay are concerned. This is where the most damaging aspect of the whole Brexit strategy becomes clear; the creation of barriers to united working class action across borders.

That is the fundamental reason why Labour should vote against the deal. When it opposed Leave in the
referendum, it was right to say that Brexit was the wrong strategy. The party should have continued to explain why that was the case throughout the subsequent Tory in-fighting and in the election of 2017. Instead, both Jeremy Corbyn and now Keir Starmer accepted the result and claimed that they could negotiate a version that would protect workers’ interests.

In the aftermath of Brexit, as the employers and financiers of all countries insist on more privatisations and more austerity, socialists will have to fight for united working class action in defence of what is left of past gains. That will require the building of links that span all of Europe; rank and file organisations in trades unions, combine committees in multinational corporations, and political parties that reject any backward-looking nationalism and are committed to an internationalist solution to Europe’s crises, the United Socialist States of Europe.

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