

Calling time for EU action – Theresa May’s free trade by regulatory equivalence, and last chance saloon for keeping Italy on board

The Italian election result is a major challenge for the EU, demonstrating yet again that national contrasts in those ‘at risk of poverty or social exclusion’ are putting the very fabric of the Eurozone at risk. Eurostat estimates that in 2015 118.7 million people, or 23.7% of the population were in this situation, but this percentage was 28.7% in Italy compared with 20% in Germany. Meanwhile Spain’s percentage was 28.6%, and Greece 35.7%. For the record, the equivalent UK figure is 23.5%, very close to the EU average.

Unless President Macron can look beyond France, where the percentage is just 17.7%, and call for sharing work across the remaining 27 countries (after UK departure), the Italian result shows that it’s almost too late for closer EU integration.

And Brexit is again filling the headlines here, with the detail getting clearer. It was a shrewd move by Jeremy Corbyn to appeal to three million European National voters in the forthcoming local elections, by saying that he would accept the customs union (albeit on his terms): but whatever he says about jobs, he can’t be that interested in UK free trade deals with the rest of world, as staying in the EU customs union would preclude us from making them.

However on Friday Theresa May spelt out a lot more detail on Government plans - [click here for the special briefing on her speech](#) - and she was much more realistic about what is needed.

She singled out a whole range of sectors, to which a blend of regulatory equivalence and custom-built trading arrangements will apply:

The Cabinet clearly had a busy day in Chequers the preceding week: just as well it wasn’t last week or they might have been snowed in. The well-rounded chorus of support from all factions within the Conservative Party (possibly excluding Sir John Major) shows that the ground work had been thorough, and that the plans hold together.

So now it’s for Barnier and his colleagues to accept this very pragmatic ‘Canada Plus’ arrangement, in the full knowledge that rejection would leave the European Union short of c. £40 billion.

The Prime Minister concluded by saying: “My message to our friends in Europe is clear. We know what we want. We understand your principles. We have a shared interest in getting this right. Let’s get on with it.”

She might also have added: “Because I really want to start focusing on some pressing domestic issues - for example, bringing hope and opportunity to disadvantaged young people throughout the United Kingdom - and less time spent on Brexit would be appreciated.”

But after the Italian election yesterday perhaps Barnier and his colleagues should also be similarly focused: as the Eurostat poverty figures show, Europe is somewhat more dysfunctional than the United Kingdom. Britain’s departure will make it considerably easier to address that dysfunctionality, as what they really need is ‘ever closer union’: the one thing that we would not let them have.

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