

# Failure to reach Brexit deal 'suicide' for UK, says former EU chief

Romano Prodi, once Italian prime minister, says compromise on both sides is essential and that a second referendum would be almost impossible.

Britain will be committing economic suicide unless it is prepared to compromise to reach a comprehensive Brexit deal, a former head of the European Commission has warned.

Romano Prodi, the economist and former Italian prime minister, said the Brexit negotiations had made little progress in the first year after the referendum and urged both sides to begin making concessions on trade and immigration to reach a deal.

In an interview with the Observer, he said that more and more people were suggesting to him in private that a second referendum may be needed. However, he said a "historic compromise" would eventually be reached because the Europe-wide economic consequences of failure had been heavily underestimated. "Maybe I am biased, being an economist, but it may be that there is still an imprecise [understanding] of the real economic consequences of Brexit," he said. "This is why I am now looking deeper and deeper that a compromise must be reached. Not to repeat the referendum as is mentioned more and more often in private conversations - I think that is impossible, or very difficult - but to find a compromise to avoid suicide."

Prodi said he used such strong language because of "the damage for the UK" that would come as a result of crashing out of the EU with no deal. While Theresa May has made ending free movement a red line in talks with the EU, Brussels has repeatedly stated that full single market access is impossible without handing freedom of movement to EU nationals.

Prodi suggested a British compromise on immigration that would see some sectors given "an exception". He said Britain should begin breaking the issue down "step by step and sector by sector".

“For example, we have joint scientific projects in which the UK has always had a strong position because of your universities and tradition,” he said. “Clearly, movement of manpower in this sector is of deep interest and does not move any passion even in the core of anti-European British [voters]. In my opinion, you should start giving guarantees in all these fields in which there is a common interest to have an exception.”

Prodi called on Brussels to preserve as much trade with Britain as possible to avert serious economic damage.

“It is so clear that it is impossible to dismantle this type of agreement without real damage on both sides,” he added. “In this case, the weight of damage is probably heavier on the UK side, but there is damage on both sides.”

His intervention comes with no sign that the EU is prepared to cut a deal that would dilute the principle of free movement. Michel Barnier, the EU’s chief negotiator, has also signalled he may not even sanction the beginning of talks in October unless the UK begins to compromise over the divorce bill or the status of EU nationals in Britain. The Sunday Telegraph reports that the UK is prepared to pay up to £36bn to the EU to settle the divorce bill.

Meanwhile, Sir Vince Cable has lashed out at hardline Brexit “martyrs” who view economic pain as a price worth paying to break away from Brussels. The Liberal Democrat leader accused them of “masochism” and claimed older Brexit voters with views “coloured by nostalgia from an imperial past” had imposed their will on a younger generation more comfortable with the European Union.

Reflecting on the first year after the Brexit vote, Prodi said there had been “blood on the floor”, but little progress.

“I hope that in the second year there will be settlements safeguarding what can be saved in the future,” he said. “I think that, in the end, a historic compromise will be convenient for both sides. I am convinced because we are too linked, too entangled.”

His remarks coincide with Labour leader Jeremy Corbyn coming under increasing pressure to soften his insistence that free movement will end after Brexit. One of Britain’s most senior union bosses called for free movement to remain in place.

Dave Prentis, general secretary of Unison, said: “The government must give European workers the right to remain, or face losing skilled and experienced health and social care staff for ever.

“Any trade deal should be without tariffs and guarantee future free movement of EU labour. It must protect employment standards, jobs and economic growth. It should also provide for well-funded public services safe from any further privatisations.”

Other union figures remain more cautious. Tim Roache, head of the GMB union, said many of those who voted for Brexit “did so because of their experience of freedom of movement of labour and how it was used by exploitative employers in certain industries.

“For too long employers have used freedom of movement as an alternative to investing in skills of the UK workforce,” he said.

“Labour is right to focus on jobs and it makes sense to keep the options open, particularly over a period of transition, and to be pragmatic.”

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*Source: <https://www.theguardian.com/politics/2017/aug/05/failure-to-reach-brexit-deal-suicide-for-uk-says-former-eu-chief>*

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