

THINK PIECE

#88

The Left and Brexit: Facing up to the realities of an interdependent world

Jon Bloomfield

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ABOUT THE AUTHOR

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This paper has benefitted from the observations and comments of many colleagues, in particular Henry Porter, Matthew Sowemimo, Robin Wilson, Fred Steward, Frances Foley, Eloise Todd, Clive Lewis and Neal Lawson, although the political judgements are my own.

ABOUT THIS PUBLICATION

Few issues divide progressives more than Brexit. There is a progressive case for Brexit, for Remain and for respecting a democratic decision. Somehow we have to find our way between all of them – and quite fast. Compass doesn't have a line on Brexit, although we have always been passionately pro a social and environmental Europe. Most of our members and supporters, we guess, would be pro-Remain. But we want develop understanding and respect for different positions. To do this we need a clear debate. This Think Piece is the start of that process. Different views will be given space over the coming weeks and months.

We are keen to keep exploring these key issues and would welcome any comments or ideas about how.

Compass **Think Pieces** are shorter, sharper and more immediate responses to key issues. The ideas and the thoughts are always those of the author, not Compass. They can cover any topic that helps us understand better what a good society should or could look like and how we might get there. We welcome suggestions for future publications, especially from women and any groups or people in society who are under-represented in the field of political thought and action.

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Introduction

Over the summer, as detailed negotiations began on Brexit, some of the realities of disentangling the UK from the EU became apparent. Moving beyond the clichés – take back control, a global Britain – recognition slowly dawned about the complexities of unravelling the UK’s relationship with the EU: air travel, registration of new medicines, and nuclear safety are just three issues that emerged. Then at the end of August the ‘phoney war’ ended as the Labour Shadow Cabinet agreed that for an unspecified transition period the UK should stay within the EU’s Single Market and thereby allow time for proper, in-depth new partnership arrangements to be worked out.¹

Sixty-five years ago US Secretary of State Dean Acheson chided that ‘the UK had lost an Empire and had yet to find a role.’ It still hasn’t. The issue is posed even more sharply today: how is the UK to find its way outside of the EU in an ever more inter-dependent world? Those who led the Brexit campaign continue to display their imperial illusions and fervent belief in the unique greatness of Britain. These are the voices and views that dominate the mainstream press. The bulk of pro-Single Market Conservatives have gone AWOL following the referendum, while the business and financial communities were mute prior to and during the recent general election. Progressive and centre-left politicians and policy-makers, some with strong internationalist traditions, have found themselves swept along by the nationalist wave or else drifting uncertainly.

Basically, four broad options are available to the country: the hard Right’s favourite of the UK as a lightly-regulated, offshore tax haven to Europe with a renewed, subordinate relationship with the United States; reversing the referendum decision now, as argued by some; a go-it-alone ‘Keynesianism/socialism in one country’, favoured by the nationalist Left; or a new cooperation arrangement between the UK and the European Union, colloquially referred to as ‘soft Brexit’. This article examines those options and argues from a Left-wing perspective the case for the latter.

The Hard Right

The Thatcherite, de-regulatory Right is hiding the reality of a cliff-edge Brexit from the electorate. The June general election confirmed that currently there is little public appetite for that agenda. So, for the moment, Gove, Johnson, Fox, Rees-Mogg, the Daily Mail and The Sun prefer to use Theresa May as a battering ram to drive through a clean break from the EU. Then, in a second phase, the Thatcherites intend to reassert their de-regulation, low tax agenda and their geo-political desire for partnership with the United States.² In the Cabinet they have made a tactical retreat on the pace of withdrawal by agreeing to a transition period in return for Government agreement to their key demand for a complete break from the EU. This means a Brexit where the country rolls off the cliff edge in slow motion.

They maintain that a Britain liberated from the shackles of a ‘sclerotic’ EU will be free to export to both developed and newly emerging markets. They ignore the fact that there is nothing to stop the UK exporting to these markets at the moment, other than the weakness and inadequacy of its manufacturing sector. After all, Germany currently exports ten times more to China than the UK, while the UK also has a lower share of the Chinese goods market than both France and Italy, which the nationalist Right frequently cite as basket-case economies. They would do well to pay attention to the words of their own Prime Minister:

“Look at the figures. We export more to Ireland than we do to China, almost twice as much to Belgium as we do to India, and nearly three times as much to Sweden as we do to Brazil. It is not realistic to think we could just replace European trade with these new markets.”³

Reverse the Decision

Among those who campaigned to remain within the EU, some believe strongly that we should now focus all our energies on reversing that decision. They argue that the vote was close, that the Leave campaign lied to the electorate, that the difficulties of pulling out of

Europe were not explained. They argue for a second referendum on the terms of the Brexit deal, with a rejection of the terms meaning a reversal of the initial decision to leave, in effect a two-part referendum question.

The majority of those who argued that it was best for the UK to stay within the EU have not changed their long-term view. We are aware that the options potentially open to the UK and argued for in this paper are second best to what we have at the moment, namely full membership of the EU. However, progressives cannot be in denial about the referendum and its outcome. We failed to win a majority for the UK being safer and more prosperous within the EU in today's interdependent world. Nor can we pretend that because politicians lied during the campaign or that the outcome was close, this somehow makes the result ineligible. This is not the first time that has happened and it won't be the last.

The core answer to principled Remainers is that we lost the referendum vote and that democrats, political parties and civil society now have to operate on that new reality. Over time, public opinion may shift noticeably again but at this moment, just one year after the referendum, the key political question is what kind of relationship will the UK have with Europe: is it hard Brexit or soft Brexit? There is no widespread appetite for a second referendum as the Liberal Democrats' electoral vote of 8% confirmed, and to argue for Labour to make this its focus would be a huge distraction, which would hand the 'democratic' mantle over to the government. The future is unpredictable, but for the moment the crucial issue is to make the case for a soft Brexit and win support in the country for it.

The Re-emergence of Nationalism

The world has been transformed in the four decades since the UK joined the European Economic Community in 1973. Then, the word 'globalisation' did not exist, computing and IT was in its infancy, the Soviet Union, East European states and China were closed economic blocs. The pace of change has been truly stunning. In the United States and Europe the period has been dominated by neo-liberal

orthodoxy, inaugurated by Margaret Thatcher and Ronald Reagan. For a brief moment in the 1990s, after the fall of the USSR, with the world economy booming and the optimism generated by the 'end of history' moment, a benevolent globalisation scenario seemed plausible, all the more so when overseen by two such able rhetoricians as Bill Clinton and Tony Blair. As the Panglossian Peter Mandelson described it, "Globalisation offers all the best the world can offer."

Such utopian naivety was exposed by the global financial crash of 2007-2008. With communism a busted flush and Third Way Social democracy believing all issues of class to be old-fashioned, the field was free to the nationalist, populist and racist Right to exploit the grievances of older working class communities and those left behind by globalisation. The consequence has been that as popular discontents and unease grew, it was primarily these forces that benefitted. There have been exceptions as new movements of the Left emerged with Occupy, Syriza and Podemos, but generally, it has been the nationalist Right which has surfed the wave. They have shaped politics, above all by defining the issues as ones of nation, culture and identity against unfettered, wholesale globalisation. The specifics have varied from Donald Trump to Nigel Farage, the Daily Mail and Brexit, through Geert Wilders to Marine Le Pen, but the core story has been the same.

The 2017 campaign for the French Presidency by Marine Le Pen gave it clear expression. Le Pen set out to style the election as a battle of "patriots" on her side against "globalists", such as her main rival Emmanuel Macron, on the other. She said only she understood the "forgotten" peripheral France, hit by unemployment and fears for the future, neglected by the privileged elites of cosmopolitan cities. "The main thing at stake in this election is the rampant globalisation that is endangering our civilisation." She defined her second round run-off with Macron as a referendum on "uncontrolled globalisation". In the last presidential TV debate, she said Macron was the "candidate of globalisation gone wild". The key test of Macron's Presidency will be whether he is

able to develop an economic approach that disproves this.

Nationalism on the Left

What is surprising is how many people across the centre and Left of British politics have accepted the fundamentals of this far-right analysis. They have bought into this binary divide: the choice is either neo-liberal globalisation or a patriotic nationalism. The possibility of any different types of globalisation or alternatives within the EU has been denied. In France, Thomas Piketty⁴ gave a thorough, rigorous analysis of the key trends in 21st century capitalism and outlined the potential transnational political alternatives to this model of globalisation. However, despite the critical acclaim Piketty's work received, it had little political impact in the UK, even amongst the Left. Rather, opposition to neo-liberal globalisation has been set in a nationalist frame.

As the Blair-Brown era drew to a close, criticisms emerged around aspects of their economic policies and the rise in inequality. However, instead of a focus on the fundamentals of neo-liberalism, the main thrust of the critics of the New Labour project increasingly concentrated on their own variant of culture wars. The 'Blue Labour' movement asserted that traditional working class communities had been ignored by New Labour's trendy cosmopolitanism which had paid too much attention to feminism, multiculturalism and sexual politics and ridden roughshod over the assumed conservative cultural sensitivities of the traditional working class. In these critiques, culture trumped economics. Some argued for a cultural mobilisation around the nationalist slogan of "Flag, Faith and Family", seemingly unaware of its eerie echo of the Nazi slogan of "Kinder, Küche, Kirche".⁵ One of the leading protagonists, Jonathan Rutherford, declared that "the future of English socialism is conservative".

The Keynesian economist Paul Ormerod joined the fray echoing Le Pen's favourite themes.⁶ He posed the choice in the labour market as being between open borders and fair wages. In his view there was no way you could

have both. The Left needed to come down in favour of the latter. Mass migration inevitably promoted inequality.

The left-wing weekly magazine the *New Statesman* increasingly gave space to a nationalist agenda. It showed its disdain for the EU prior to the referendum with a series on what it termed 'the honourable traditions of Eurosceptic Leftism'. Following the referendum, its chief feature writer John Gray and fellow academics Brendan Simms and Richard Tombs wrote a series of lengthy articles excoriating the European Union as a doomed project and promoting the virtues of UK exceptionalism with remarkable claims that the UK is the fourth or even 'the third leading power in the world'.⁷

What unifies this wide variety of progressive opinion is their exclusive focus on the nation state. They ignore, disregard or diminish the realities of a globalising, inter-connected world whether in terms of ecology and climate change, terrorism and security, the digital revolution or economics. The UK – or sometimes England – is deemed to stand above and apart from these grubby realities.

The Realities of Interdependence

This frame of reference crucially undermines the ability of progressives to counter the hard Right's Brexit strategy. Underpinning the various strands outlined above is an ongoing belief in the desirability and potential of the UK going it alone. It finds clear expression in the statements of anti-European Labour MP Kate Hoey, who declares that she wants "to get back to our parliament the right to have **complete control** of our economy, to **decide everything** that relates to our own country..."⁸ (my emphasis).

This vision flies in the face of all the underlying trends in world economics, let alone wider issues such as climate change or security. It is like proposing to unbake a cake. Since the Second World War modern production has leapt the boundaries of the small and medium-sized nation state. Of course, there are lots of activities that carry on as before: hairdressers still cut people's hair in the high street; many small companies access

their supplies locally. But with regard to the main elements of the economy, both in manufacturing and services, there is no way that they are going to be forced back into their national boxes.

Nationalists on the Left as well as the Right ignore the fact that Britain is part of a fully integrated Europe-wide economy. It is evident in logistics whenever there is a closure of Eurotunnel: suddenly the M20 is a car park with queues of thousands of lorries stretching back thirty miles. It's a fact of life in our agriculture and food industry: whenever a scandal or scare breaks out – BSE, foot and mouth, horsemeat in frozen food, or the current contamination of egg products – the intertwined, cross-European nature of food production is revealed. If you want to regulate modern food production, you have to do it on a pan-European basis. It's the dominant feature of the British car industry. Scattered across the Midlands are the huge old factory sites of Rootes, Humber, Austin, Triumph, and Morris, now transformed into shopping malls, warehouses and mixed-use developments. These British companies will never return. The car companies that flourish today are integrated with supply chains that link across the whole of Europe's Single Market. More than half of the 30,000 components in the average car assembled in the UK come from outside the country.

If the UK wants to retain modern supply chain logistics, reduce carbon emissions from vehicles, or agree electric vehicle charging standards, it has to be done within the Single Market. It would simply be unfeasible to try to do it within the UK alone. The same is true in aircraft manufacture. Here, the choice is either Airbus or Boeing. It did not look that way in 1967, when Boeing made four-fifths of the world's commercial aircraft. However, long-term cooperation between French, German, British and Spanish companies means that the European consortium is now a serious rival to Boeing, with a full order book. Filton near Bristol and Broughton in North Wales, along with their 400 supply-chain companies and 100,000 jobs, prosper as a core component of an interwoven network of Europe-wide production processes. What is certain is that they and their workforce would have no future

as a separate British industry. Hoey's 'complete control of our economy' would guarantee them the fate of Humber, Morris and Triumph.

Some, like *The Guardian's* economics editor Larry Elliott, caricature Left Remainers, claiming that we say that globalisation has rendered the nation-state powerless.⁹ We don't. Indeed, we are rather more interested than the advocates of go-it-alone Britain in the achievements of more progressive nation states over this period. But the core of our argument is that over the last half century the world and Britain's role within it have changed dramatically. Since the Second World War, economic developments have moved beyond the boundaries of the individual European nation state. Along with the need to contain Europe's propensity for deadly wars, cross-border economic integration was the original impetus behind the European Economic Community. This has been the period, firstly of the developing multinational corporation and then of unprecedented globalisation, with financial deregulation, the emergence of information and communication technologies, and the opening up of the former socialist blocs. These developments have weakened the basic post-war settlement between capital and labour negotiated across most countries in Western Europe, a process accelerated over the last three decades by the ideological ascendancy of neoliberalism.

Taken together, they mean that in the 21st century, politics can no longer be confined to the nation state. Left Remainers don't pose one against the other in the binary way that Elliott suggests. Rather, to control and regulate both markets and the environment, any government has to develop a model of multi-level governance which combines action at the European scale with that undertaken by individual national governments and their devolved regions and cities. These trends are not confined to Europe. Latin American countries are bonding together in Mercosur, Asian countries in ASEAN. This requires progressives in each of those regions to reach beyond national boundaries and work together with like-minded parties in neighbouring countries.

To make this case is not to claim that the EU is wonderful or to give carte blanche to its current policies. As elsewhere across the West, EU institutions have been increasingly dominated by neo-liberal forces over the last three decades. Within the Eurozone, its deflationary, monetarist impositions on Southern Europe, above all Greece, have been disastrous, while neo-liberalism has increasingly shaped EU Directives. Yet Left Brexiteers repeatedly exaggerate their impact and the restrictions that would be supposedly imposed on a Left Labour government. Just look at France to see this. Currently, 57% of French GDP is Government spending. The state railway SNCF has just built and opened two more high-speed rail lines. It is a Government-owned company, EDF, which is the main building and operating contractor of the UK's proposed new nuclear power station at Hinkley Point. (The dubious wisdom of that is another issue!). And in late July, the French Government announced that it was nationalising a threatened shipyard employing 7,000 workers at Saint-Nazaire.

In Norway, outside the EU but within the Single Market, the key utilities are state-owned. In Germany, KfW is a major state-owned development bank which supports regeneration and energy efficiency projects as well as small and medium-sized businesses. Its investment commitment of almost €50 billion in 2014 for housing and energy efficiency is of a size and scale far beyond anything that Labour has proposed. Yet somehow Elliott claims that the modest social democratic programme envisaged in Labour's manifesto "would be deemed illegal under European law".¹⁰

The realities of this inter-dependence are not just economic. After the latest terrorist horrors in Manchester and London, who is seriously going to suggest that the UK should pull out of its intelligence sharing and security cooperation with European police and counter-terrorism services? Does the UK want to retain access to the European Arrest Warrant, which has allowed it to extradite more than 5,000 people from Britain to other European countries in the last five years, and bring 675 suspected or convicted wanted individuals to Britain to face justice?

The reality is that globalisation has its downsides, of which the biggest is crime. Along with terrorism, criminals and criminal activity from fraud and credit card theft through to drug smuggling and human trafficking have been internationalised as the world has globalised. The EU offers a political framework in which to tackle some of them. The European Arrest Warrant, passenger records, along with agreements on prisoner transfer, financial intelligence and sharing criminal records "are practical measures that promote effective cooperation between different European law enforcement organisations, and if we were not part of them Britain would be less safe".¹¹

Similarly, would it help UK universities, institutes and students if we withdraw from Europe's common research and exchange programmes? Does the UK want to be part of European-wide efforts to address climate change? How will it help the UK if it is not a member of the Open Skies Agreement and the European Aviation Safety Agency, which regulates air travel? These are all questions posed by Brexit. The country needs political leadership that understands and accepts these interdependent realities and seeks to find new arrangements to address them.

As the depth and range of the challenges become apparent, a nasty whiff of jingoism creeps into the arguments of Left Brexiteers and Shadow Cabinet politicians. Barry Gardiner's description of Norway as a "vassal state" is the most offensive example to date. Norway is a prosperous country outside the EU but within the Single Market. It has successful state-owned utilities and a government sovereign wealth fund to envy. It plays a distinguished role in brokering conflict resolution, most recently in Colombia. It has made the sovereign decision to contribute to the EU budget and participate in the Single Market, even though it won't directly contribute to its rule-making, because that is the best economic choice for its country. It has done what all participants in international, multilateral institutions have to do, namely "make a trade-off; pool and therefore cede some sovereignty in a controlled way".¹² To suggest that Norway has descended to vassal status or that the UK would do the same if it

signed up for a similar arrangement¹³ shows both an ignorance of what is entailed in multilateral institutions and an arrogance about the UK's supposed power. It also fails to note that the current secretaries-general of NATO and the Council of Europe are both former Norwegian social-democrat prime ministers.

Brokering a Soft Brexit

Hard-line Brexiteers are trying to argue that only an abrupt rupture with all EU institutions is permissible and that everything else is forbidden. Yet, people voted for the UK to leave the EU for a variety of reasons; blocking the country's participation in the Single Market or in cooperation with our European partners on security, nuclear safety, air travel and medicines were not high on the list. The referendum did not ask and certainly did not resolve these and countless other questions. That is now the task of politics.

Unlike the hard Right, progressives should be under no illusions: the UK has no cost-free options after the referendum. There are substantial downsides to all the exit options. They will leave the country worse off. But Labour has a political choice. Does it see the UK's future as close as possible to our nearest neighbours so that departure from the EU will do the least damage - or apart from them?

That is why the official Labour Party statement issued by Keir Starmer with the support of Jeremy Corbyn and the Shadow Cabinet on 27th August was so important. After months of ambiguity and evasion Labour set out a clear alternative to the May government. Contrary to the musings of Barry Gardiner and others, it lays out clearly that for a transitional period the UK needs to stay within the Single Market. This would give it the time and breathing space in which to negotiate a precise future working relationship with Europe. The statement represented a firm rebuff to the various strands of nationalist opinion in and around Labour, and a defeat of those elements within the Corbyn leadership who retain attachments to the autarkic 'socialism in one country' dreams of an alternative economic strategy based on national boundaries.

Four decades ago I argued for that too. Its time has long gone. Its inadequacies were already evident in the early 1980s. A Socialist-Communist government under François Mitterand in France tried to pursue a national go-it-alone Left alternative, which failed dismally. That failure was a signal that, in an increasingly integrated world, radical change has to be sustained on a cross-national basis. There is plenty of scope for national variations across Europe, but today, when the interconnections and interdependencies of economic life are vastly greater, attempts to resurrect a stand-alone economic strategy within one country would be suicidal. A modern Left has to be comfortable dealing with an interdependent world, and how Labour handles Brexit is the big test. The Starmer statement suggests that they are ready to bite the bullet.

Here is an unexpected opportunity for Labour. The Conservative party is deeply divided on the issue with its main ideologues backed by a virulent press set on a hard Brexit, which puts them at odds with their historic supporters within the business and financial community. The Liberal Democrats are currently a marginal force. Throughout the general election Jeremy Corbyn's team took the political initiative with a clear focus on austerity. With Starmer's statement it has shown it has the capacity to sustain its momentum and link two key political themes: Labour's anti-austerity growth programme can only be realised if the country has the least damaging of Brexits. Furthermore, it has opened up the possibility that if managed astutely, Labour could be the hegemonic force bringing together an alliance of actors able to oppose the May government and establish a new collaborative relationship with Europe.¹⁴

Yet Labour's statement is just a starting point. It proposes the status quo for a two-to-four-year transition period, while the UK and the EU sort out a mutually agreeable future. It is not an agreed outcome. The central issue for progressives now, having got Labour to base camp, is both to identify the key elements of that new relationship and to win acceptance for it among the wider electorate.

The immediate task following the referendum is to gain public recognition that for reasons of

economics, geography, history and culture a close working partnership between the UK and the rest of Europe is in the interests of both parties. After the referendum, the EU remains the UK's major trading partner by far, Britons make over 50 million journeys to other European countries each year, and the country remains just 22 miles from Calais and 3,000 miles from New York. Hence, the UK should seek a partnership and cooperation arrangement with the EU across a whole range of areas where the UK has vital interests with our closest neighbours, as they have with us too. The more Labour is at the core of a movement for a policy alternative, the more exposed May, the Mail and Murdoch will be as they drive for a cliff-edge Brexit.

The precise form that those arrangements between the UK and the EU will take are a matter for negotiation, but the starting point should be that all options are on the table. These are crucial, because the central economic issue is not about trade but about integrated production flows. The reality all European nations face is that the optimal economic area is now continental in scale. In Europe, all the main production processes rely on integrated supply chains operating across borders. As Chancellor Philip Hammond said in Berlin, transnational arrangements are needed that "allow the complex supply chains and business relationships that criss-cross our continent to continue".¹⁵ Up to 10,000 freight vehicles a day pass through Dover. Around 4.4 million lorry journeys are made between the rest of the EU and the UK each year. On a recent 30-minute trip along the M6 in the Midlands, I passed lorries from Belgium, the Czech Republic, Germany, France, the Netherlands, Poland and Spain. That is the physical reality of cross-European supply chains and integrated production. These are visible indicators of how interdependent the UK and other European economies have become. That is why it is so crucial to both the UK's and the rest of Europe's economic well-being that this tariff-free, seamless productive, economic activity is retained. For both the Labour Party and the trade union movement a 'jobs-first Brexit' must mean giving priority to Single Market membership.

These negotiations will be extremely difficult. The Government has consistently refused to face up to the obstacles. These include how to preserve the framework for the Good Friday agreement threatened by the imposition of a 'hard Brexit' border, how to accept a role for the European Court of Justice on some issues revolving around crime and security, and again the UK government's oversight role on vital European bodies such as the European Aviation Safety Agency and Euratom, the need for an extension to the timetable and a long transition arrangement, citizens' rights, as well as the economic issues raised in this paper.

With its transition policy clarified, Labour is well-positioned to use the new parliamentary arithmetic to force the government to break from the harsh Brexit set out in Mrs. May's Lancaster House speech. There are objective reasons why the EU would welcome a change of tone and direction by the UK government. The EU knows that in these volatile times with Putin to its east, Erdoğan and Sisi to its south and Trump across the Atlantic, the main European powers need to stand together. However, for there to be any chance of an accommodation from the EU to those looking for a soft Brexit, progressives have to face one big question: how to resolve the wish of the majority of the electorate to control migration with the EU rules on freedom of movement.

Managing Migration

The free movement of people has brought substantial benefits to many citizens in European countries including Britain. These are particularly welcomed by young people for whom it offers increased horizons and opportunities for travel, study and work. However, the unexpected size of the flow to the UK after 2004 has brought real concerns and difficulties to the fore. These problems are largely of the UK's own making. In 2004 the Labour government waived the seven-year transitional controls on migration from new EU Member States which most other countries installed. At the same time Tony Blair and Gordon Brown refused to sign up to the EU Working Time Directive which set a maximum 48-hour working week. John Major had opted out of this in 1993 and the Blair

government steadfastly refused to budge from this position, getting support from Berlusconi and Aznar to resist pressure from the French and German governments and the European Parliament. Both actions were strongly supported by the Conservative party and the Conservative press. The effect was to create the ideal conditions for a swift, unexpected surge in East European workers into the UK, legally able to work very long hours at low pay rates.

If the UK wants the EU to negotiate seriously, it needs to change this situation and make compromises of its own. Labour should propose as part of its post-transition strategy and wish to stay in the Single Market that the UK shall:

1. Sign up to the Working Time Directive and impose a mandatory 48-hour working week limit.
2. Apply the EU rule¹⁶ whereby any citizen from another EU member state here for more than three months who is not economically active or financially independent can be sent back home.¹⁷
3. Significantly increase the number of workplace inspectors so that minimum wage and health and safety regulations are properly enforced, and remove legal obstacles that obstruct trade union recognition in the workplace.
4. Introduce a substantial Migration Impact Fund to provide additional funds in areas of high migration to address pressures on schools, housing and health services.¹⁸

Taken as a package, these measures would stop migration being used as a Trojan horse for Dickensian working conditions at the lower end of the labour market, and reduce the numbers of new migrants, but not in a way to threaten labour supply in vital parts of the economy and NHS. The UK should say that it expects the numbers of migrants entering the UK from other European countries to fall with these measures, but if this does not work, it would apply for an emergency brake as allowed for under Article 49 of the original Treaty of Rome which requires "...the achievement of a balance between supply and demand in the employment market in such a way as to avoid serious threats to the standard

of living and level of employment in the various regions and industries".

By ending the conditions that the UK has offered since 2004 to East European migrant labour, the UK should see both a decline in the numbers coming to the country and also more opportunities for local workers. Productive businesses would cope with the maximum working week limits as they do elsewhere in the EU, and those operating on the basis of cheap, sweated labour will have to adjust their business model. By tackling these anomalies, arising from the Blair Government's excessive neo-liberalism, EU negotiators should be more ready to accept that if pressing problems remain, an emergency brake could be applied.

Many Labour MPs know that staying within the Single Market is vital for the economic health of the country and the jobs of many workers. They know that Labour's anti-austerity programme depends on the least possible disruption to an already fragile economy. Until now they have been hesitant to campaign openly on Single Market membership, for fear of leaving themselves exposed to voters concerned about migration. The Fair Movement policy set out here will take away the magnet that attracted so many East Europeans to the UK and lead to a fall in migration numbers without infringing the EU rules on free movement.

Bringing a Movement Together

With Labour's clear policy statement for a 'soft' Brexit the post-referendum phoney war period has ended. Yet the country remains sharply divided and many of the historic assertions and myths about both Britain and Europe that underpinned the referendum result remain in play. Thus, the evolution of its new policy proposals for the UK's relationship with the EU should be an open, inclusive process, which also link up with popular movements which reject different aspects of the Government's hard Brexit strategy. For starters, the Labour Party should:

- Develop a clear understanding with the Scottish National Party and bring together all MPs regardless of party who want to pursue the soft Brexit option. Together

with the trade union movement they should re-draft the terms of the UK negotiating position and seek to win Parliamentary approval for it;

- Approach business and financial organisations, universities, research and scientific institutions, student unions and civic associations as well as the trade unions, with an offer of co-creating a new cooperative partnership with Europe. Perhaps, promote with the TUC a Convention along the lines of the Scottish Convention organized in the 1990s to discuss the framework for devolution;
- Open informal discussions with key policy institutes such as Bruegel, and sympathetic parties across Europe, to lay the ground for a new partnership;
- Discuss with the National Union of Students and other youth organisations how to make the interests of young people central to the negotiations.
- Expose the hard Brexiteers on their weakest point: Ireland. The Government's hard Brexit policy is marooned on the issue. It offers fantasy politics and Irish farmers, businesses, lorry drivers and commuters know it. Consider how to encourage a cross-Irish movement that sustains the EU framework of the Good Friday agreement and its economic underpinnings.

This is the kind of broad campaigning that can both propose a new cooperative partnership with the EU and win a political majority within the UK for it. Yet, to be effective, this also requires substantial changes in the balance of political forces within Europe. In the medium-term, the entire progressive spectrum is going to have to promote new models of European development able to address the EU's democratic deficits, reverse its austerity obsessions, and develop new policy tools to address the 21st century challenges of climate change, automation and demography. Without them, many UK citizens will continue to maintain their ambivalence towards the European project.

The negotiation of a proper, collaborative partnership with the EU is possible. It will be

complicated and difficult, but the opening is now there. Progressives should offer new models which show how nations can collaborate together to manage the economic, environmental and security challenges of our age, and tame globalisation. That is the politics of New Times - not a retreat into nationalist boltholes whether of the Right or the Left. Labour now has an opening - and it's one that particularly its enthusiastic youthful new members should relish - to bring together a progressive alliance on Europe and show there is an alternative to the cliff-edge Brexit being recklessly pursued by the Government.

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1. Keir Starmer. Labour will avoid Brexit cliff edge for UK economy The Observer 27 August 2017
 2. For a flavour of their thinking see Rees-Mogg, Daily Telegraph 13 August 2017
 3. Theresa May 25 April 2016, in a speech full of facts and observations pertinent to the current debate.
 4. Thomas Piketty. Capital in the Twenty-First Century (London 2014)
 5. "Children, Kitchen and Church"
 6. Guardian 24 March 2015
 7. See articles on 1 July 2016; 22 July 2016; 24 February 2017; 14 July 2017.
 8. New Statesman 19 June 2015
 9. The Guardian 21 July 2017
 10. *ibid.* 21 July 2017
 11. Theresa May. 25 April 2016
 12. *ibid.* Theresa May shows more realism here than is evident in the subsequent pronouncements by her or her ministers.
 13. Barry Gardiner The Guardian 24 July 2017
 14. See Financial Times editorial 28 August 2017 which instantly recognised how this lined up the business community with Corbyn's Labour and against the Conservatives.
 15. Guardian 28 June 2017
 16. For the relevant EU Parliament and Council Directive see <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:158:0077:0123:en:PDF>
 17. See cross-bench peer Karan Bilimoria <https://www.theguardian.com/commentisfree/2017/jul/31/britain-take-back-control-immigration-eu-directive-brexit>
 18. I proposed how this could be done back in 2010. <https://www.socialeurope.eu/responding-to-eu-migration-a-progressive-policy-response>