FABIAN POLICY REPORT

FACING THE UNKNOWN

Building a progressive response to Brexit

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with contributions from Angela Eagle, Stephen Kinnock, Rachel Reeves, Emma Reynolds, Gisela Stuart, Chuka Umunna, Iain Wright, and more
FEPS is the first progressive political foundation established at European level. Created in 2007 and co-financed by the European Parliament, it aims at establishing an intellectual crossroad between social democracy and the European project. It puts fresh thinking at the core of its action and serves as an instrument for pan-European intellectual and political reflection. Acting as a platform for ideas, FEPS relies first and foremost on a network of members composed of more than 58 national political foundations and think tanks from all over the EU. The Foundation also closely collaborates with a number of international correspondents and partners in the world that share the ambition to foster research, promote debate and spread progressive thinking.

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Britain’s decision to leave the European Union shook the political establishment to its core. Within just a few hours, it toppled a prime minister, crashed the currency and threw the official opposition into turmoil. The UK’s metropolitan, liberal-minded elites were jolted into a sudden awareness of how frustrated and forgotten much of the country feels.

It seems there are two stages in dealing with this political shock. The first is to accept the decision, that “Brexit means Brexit”. And the second is trying to make the best of it by hammering out the terms of a potential deal. While the right, with its usual brutal efficiency, is getting on with shaping the future of our country, the left is struggling to pass stage one, let alone move to stage two. It is now crucial it does.

To do that, progressives must first open their ears and listen to what voters told us in the referendum. As James Morris sets out in his essay, the left must respect voters’ desire for control. And we must recognise, as the powerful forces of globalisation combine with economic uncertainty, that it should be the left’s agenda to ensure people are empowered in their day to day lives.

Despite the Labour party campaigning for Britain to remain in the European Union, a majority of people in swathes of Labour’s heartlands voted to leave. This lays bare the problem that sits at the heart of Labour’s current travails: the gaping chasm between Labour members and too many present and former Labour voters. If the party aims to continue to be a parliamentary voice for the working classes, a “party of the producers” as set out in its founding constitution, then Labour members need to ask themselves some difficult questions.

The toughest of those questions is on the issue of immigration, which was clearly a crucial factor in Britain’s decision to leave. Although evidence suggests that immigration has impacted those on low wages and put pressure on public services and community cohesion, many on the left have failed to confront the issue head on. Instead, politicians have moved between ignoring the issue, denying there is a problem, and producing cynical and superficial gimmicks such as the infamous ‘controls on immigration’ mug produced before the last election.

As Stephen Kinnock argues in his contribution, there is nothing innately left wing about supporting uncontrolled immigration. In fact, properly managing migration will help build an open and anti-racist society and mean Britain is better able to provide asylum to those in need. The left must also stop conflating concerns about immigration with racism. While it is vital to challenge the language of hate from UKIP and others, the majority of people who worry about immigration are not intolerant. It is time to build a progressive argument for better management of immigration, and, as a number
of contributors argue, Labour must resist unlimited free movement, as a 'red line' in the upcoming negotiations.

**An opportunity as well as a challenge**

Once the left has listened to the verdict of voters, it must then accept that the decision doesn’t just bring challenges but also presents opportunities. As Gisela Stuart writes, a kaleidoscope has been shaken in British politics and we are now in a fight to influence where the pieces fall. While the Conservative right will seize this opportunity to turn Britain into a “European Singapore”, the left is at risk of failing to construct a progressive vision for the UK out of the EU.

Angela Eagle argues that the left must see Britain's exit from the European Union as a once in a lifetime opportunity to remake social democracy. She's right. While many are worried about the consequences of the country’s decision, they must also recognise that the vote was an act of rebellion against the political and economic status quo. The cheap holidays and cheap goods brought by globalisation are no consolation for stagnant wages, stagnant opportunities and for communities across Britain feeling left behind. The left must now develop a new political economy that champions the role of an active state, and delivers a high-wage, high-skill economy that benefits everyone in the country.

We have a history in Britain of seizing opportunities from crisis. Perhaps this really is a moment when we need the spirit of 1945.

Britain’s decision to leave the European Union also demands that the left develop a new internationalism. We cannot continue the modus operandi of the last five years, with a Conservative prime minister diminishing Britain’s role on the world stage, unencumbered by a cautious and opportunist Labour party too busy tying itself in knots. As Stuart argues, the left must not passively commentate on world events, but instead decide the basis on which it itself in knots. As Stuart argues, the left must never forget that the starting point for this collection is therefore that the left needs to take a principle-based approach to Brexit. That doesn’t mean that it immediately has to resolve all of the complicated areas of disagreement. Indeed, the different contributors to this publication may not agree with everything that is argued in these pages. But the left must start to set out both red lines and aspirations for Britain’s future outside the EU.

This collection suggests 11 principles to start that process because Labour cannot allow years to pass without anything positive to say about the biggest political challenge in a generation.

The Labour party could have hardly handled the referendum result worse. There were impetuous declarations about immediately triggering article 50, lamentations across the media that the campaign was unfair, and wrong-headed calls for a re-run of the vote. While Labour members argued amongst themselves rather than spoke to the voters who justify the party’s existence. While the Liberal Democrats may see a political opportunity, Labour must recognise that a ‘48 per cent strategy’ puts them in direct opposition to many of their potential voters.

In the coming months, the political tactics employed by the Labour party are crucial. This is clearly a challenge for a divided party that looks set to re-elect Jeremy Corbyn as leader. But given that the terms of the deal will be carved out in the House of Commons, it is beholden on every Labour MP to show leadership.

The most challenging tactical question for the left is the issue of public consent for the terms of Britain’s exit. Should the left argue for a second referendum once the terms of the deal becomes clear, or is scrutiny and challenge through parliament sufficient? To answer this, the left must examine its motives. If it accepts the democratic mandate of the referendum, it should choose the path that enables it to ensure the terms of Britain’s exit are in the interests of low and middle income households. It should not use ‘public consent’ as a fig-leaf for an unspoken desire to undo the decision. Accept this and then the tactics become clear. There must be a role for parliament at every stage of the process, including a debate and a vote on triggering article 50. But there should be no cynical promise of a second referendum, especially when the complicated nature of the process means it is entirely unclear what a second referendum would even ask.

Labour has a responsibility in the coming weeks and months to hold Vote Leave campaigners in the government to account for the promises made during the referendum campaign. As Chuka Umunna points out, many of them were disingenuous and entirely undeliverable. But Labour must also decide what it is ‘for’.

**Getting the tactics right**

The starting point for this collection is therefore that the left needs to take a principle-based approach to Brexit. That doesn’t mean that it immediately has to resolve all of the complicated areas of disagreement. Indeed, the different contributors to this publication may not agree with everything that is argued in these pages. But the left must start to set out both red lines and aspirations for Britain’s future outside the EU. This collection suggests 11 principles to start that process because Labour cannot allow years to pass without anything positive to say about the biggest political challenge in a generation.

The years ahead will be tough. We haven’t even begun to understand how entwined the European Union is in every aspect of our lives. There will be serious economic challenges. Even progressives on the continent have lost patience with the UK and are squaring up to give Britain a tough time in the negotiations, as Jo Leinen’s contribution so starkly sets out.

But the left must never forget that the vote to leave the European Union was fuelled by people across Britain who feel they have too little control over their lives, and who feel let down by the economic status quo. We must not squander this opportunity to remake our politics, and ensure that everyone in our country feels powerful and optimistic for their future.
You might have expected the referendum result to extract heads from the sand, but it seems not. Like cult members whose aliens don’t turn up on time, much of the left is clinging on to a world view that is patently false.

The myth is that we were all lovely cosmopolitans in the summer of 2012 as Mo Farah was winning medals for Britain, but then flipped in June 2016 as a result of a bunch of nasty lies told by Boris Johnson and his friends. If only people weren’t taken in by his dastardly deceit, the whole country would think like Stoke Newington or Manchester Withington. Voters only think they care about controlling immigration and controlling our laws; in fact, deep down, they really want the same things as attendees of the typical Labour branch meeting. If only they would could see that.

This approach is disrespectful of voters’ basic values and their ability to form opinions. The truth is that voters do fundamentally care about controlling immigration and controlling our laws; in fact, deep down, they really want the same things as attendees of the typical Labour branch meeting. If only they would could see that.

Controlling immigration

Immigration has been a defining issue for more than a decade, but the Labour party didn’t want to notice. For the liberal right of the party, anger about immigration was Luddite. For the old left, concern was racist. On this one issue, Labour’s dominant tribes were in harmony: the best response to concerns about immigration was to change the subject.

Concern about migration is not a newspaper confection. Its salience has closely tracked net immigration over the last 15 years. The leave vote closely correlated with the rate of change in a community – the more immigration has increased, the more people voted to exit the EU.

Dismissing concern as an effect of the referendum rather than as a cause of the result is also dangerous for the future of anti-racism. While 32 per cent of voters were put off voting leave because of its association with racism, 53 per cent were put off voting remain because of its dismissiveness towards immigration. The position was worse for the swing voters who ultimately decided the referendum. We are leaving the EU in part because the left wouldn’t take voters’ concerns about immigration seriously.

A different version of the leftist myth acknowledges that some voters are genuinely concerned about immigration, but says that the progressive response should be to ditch those voters. We should be the party of the 48 per cent who voted to remain. The obvious political problem with this approach is that 70 per cent of Labour seats voted leave, with the working class voters Labour is supposed to serve more likely to be leave voters. While middle class 18-34 year olds voted to remain by 42 points, their working class counterparts voted remain by a margin of just 7 points.

More fundamentally, the 48 per cent strategy gets the psychology of remain voters wrong. Just because 48 per cent voted with Europhiles, it doesn’t follow that 48 per cent are Europhiles. In fact, 44 per cent of remain voters think it is essential that immigration is reduced, with only 20 per cent disagreeing. By 48 to 10, Black, Asian and Minority Ethnic voters think the same.

The good news is that taking immigration seriously need not be the morally hazardous enterprise the left often thinks it is. Progressives can happily answer people’s concerns about immigration without accommodating negative views of migrants. Most voters think immigrants tend to work hard and contribute to our country, most are in favour of a tolerant country where people of different faiths and cultures have equal rights, most think EU migrants already here should have the right to stay. Areas with high levels of immigration were not more likely to vote leave – it was rate of change that mattered, not absolute levels.

The key is to accept, and have a credible plan for, a system that is able to control migration. Two thirds of the country thinks as long as the system is well managed, migration can be good for Britain. Support for a significant increase in the number of refugees rises from 35 per cent to 58 per cent if the system can be relied on to identify genuine refugees and help them integrate. Even most leave voters support increased asylum provision under those circumstances.
Controlling migration is an utterly mainstream, non-controversial policy position in Britain. Brits want the same sort of border control as enjoyed by high immigration countries like Canada and Australia. That doesn’t make them backwards, nor does it make them racist.

**Controlling our laws**

Addressing the politics of immigration is a central political lesson from the referendum, but it is far from the only one. A quarter of leave voters didn’t mention migration as one of their top three concerns – that’s four million people.

The desire for control was not just about our borders, it was also about our laws. Leaving the EU was felt to be the best course on this issue by 68 per cent of referendum voters. 75 per cent of leave voters said this was critical for their vote.

This tells us something about the failure of the EU to embed itself in the democratic fabric of Britain. Voters never came to see decisions taken in Brussels as legitimate in the same way they broadly accept the will of Westminster or Holyrood or Cardiff. In fact, in a survey we conducted for the Fabian Society prior to the vote, we found that the more voters knew about the EU’s institutional arrangements, the more likely they were to want to leave. Whereas the more they knew about economic impacts, the less likely they were to vote leave. As the left toys with ideas of devolution and new democratic institutions, it has to recognise the cultural challenge of ensuring they are seen as legitimate decision making bodies, particularly when they make unpopular decisions.

This focus on control of our laws also tells us something about the importance of the nation as the basic unit of politics. Governments act on behalf of their citizens. They put their citizens first. Citizens also recognise special duties to each other that they don’t feel toward citizens of other countries. That is an ethical and cultural underpinning of a redistributive welfare state. In our country, we feel solidarity with each other. This solidarity is far from perfect – there remain major problems of racism and classism. But under Blair, Miliband and Corbyn (but, curiously, not Gordon Brown) Labour has had a tendency to see national borders as inconveniences on the path to utopia.

**Control of our lives**

The left should be on the side of people who feel disempowered by elites, who feel left behind and pissed off. The referendum showed that there are plenty of voters who meet that description.

The leave campaign recognised and tapped into voters’ sense that they have been systematically disempowered. Their communities are changing without their agreement, their incomes have barely risen for more than a decade and the media is telling them that the country is growing and becoming better off.

62 per cent of voters thought that ‘politicians, business leaders and other members of ‘the establishment’ in Britain have let ordinary people down’. That group voted to leave by 58 to 41. In contrast, the 25 per cent of voters who think politicians and business leaders ‘make mistakes but most contribute positively to Britain’ voted to remain by 61 to 37.

This ought to be rich ground for the left. It is how we can breathe life into the idea of inequality. At the moment just 3% of people say ‘inequality’ is the most important issue facing the country. When we look at the language of inequality in focus groups it leaves people cold. It is an abstract noun, not a campaign slogan. In contrast, populist language focused on getting a fair deal, giving people control, and tackling people who dodge the rules can be powerful while covering the same conceptual ground.

**Lessons from the campaign**

The lessons from the referendum don’t just relate to political positions; they are also organisational. The losing campaign got the better of the ground war but lost the press battle, just as it did in the general election in 2015.

The remain campaign had higher levels of voter contact in every region except Wales and the south, where it was tied. This organisational success may have muted the leave victory, but it certainly wasn’t enough to be decisive. Labour and the left need to be wary of relying too much on the ground game to secure victory.

When it comes to the press, there is strong evidence that certain papers had significant influence. Sun voters went from voting leave by a margin of 30 points in March to 44 points on referendum day. Mail readers went from 19 points to 34. Times readers went from an 18 point margin for Remain to a 37 point margin for Remain. In contrast, Telegraph readers barely moved, while Mirror and Guardian readers shifted in the opposite direction to the editorial line. You can’t be sure of the causation here, but this is certainly evidence that the Mail, Sun and Times can shift votes.

**The opportunity ahead**

The left must now accept that immigration is a real issue, that patriotism is popular, that people want control of their lives and that the media matters more than delivering flyers. If we can get past our liberal disdain for these facts of life, there is tremendous opportunity in the anti-elitism of voters and their acceptance of immigrants. Voters want an immigration system that is effective, a country they can be proud of and an economy that works for them, not just the establishment. What’s so wrong with that? F
We must see Brexit as the end of an era and commit to radically reshaping social democracy

June’s referendum on Britain’s membership of the EU signalled the end of an era for our country. As democratic socialists we have a duty to see it as an opportunity for a radical reshaping of the political economy of our country, our continent and of social democracy itself.

When Labour returned to government in 1997, the hegemony of the Thatcher-Reagan economic consensus meant Labour continued to rely on market economics shaped in the 1980s, whilst seeking to actively redistribute income, wealth and opportunity to balance the inevitable inequalities of a radical capitalist economy. Labour’s policies, similar to those adopted by social democratic parties throughout the West, helped to mitigate some of the worst effects of neoliberalism. But, despite three terms in office, we never really changed the political terms of an accepted international economic orthodoxy.

This ‘bolting-on’ of socialist institutions and rules to our capitalist society gave the coalition government easy targets for their austerity project. Sitting on the opposition benches, we protested, largely in vain, as they very quickly dismantled key tenets of our political legacy – such as Sure Start, tax credits and redistributive council budgeting to provide help to the poorest areas.

Today’s problems are different from those of 1997. Things are in many respects much worse. We have rising levels of inequality and large numbers of people feel the system offers very little to them or their families. Indeed the Brexit vote was, for some, an expression of their sense of frustration and powerlessness. A temporary fix for a broken and increasingly unstable system is just not good enough. To chart a prosperous way forward for our country we need an entirely new vision for the state that empowers citizens throughout their lives; a state that looks after everyone, not just the lucky few. We have huge unmet needs in our society, we must create a culture and an environment where sustained investment in all our citizens encourages these needs to be properly met.

This requires democratic socialist parties everywhere to rethink how to achieve their egalitarian aims; our sister parties throughout Europe and across the developed world are facing similar challenges. We need to rediscover our ability to think creatively to empower those who work, rather than those who just own. We need to create new institutions and structures to help people manage the risks that change brings, and to respond to the growing need for security too. This will require Labour to rewrite the fundamental rules of Britain’s political economy. That is the only way social democratic politics can ever succeed and it is the left’s only way back to being a credible and relevant party of government.

A Marshall plan for working class communities

The challenge for us today is more complex than ever before. We live in a globalised world where technology has turbocharged the evolution of our economies. We are on the cusp of a fourth industrial revolution. Big data and the ever-widening effect of digital technology will transform our world beyond recognition. Human beings are far more connected globally than ever before. Our economies are increasingly based on mind not muscle. Automation, artificial intelligence and evermore sophisticated algorithms are replacing human endeavour in many fields.

And yet class divides persist and are growing, as we see opportunities for social mobility stagnate. Today, while we have access to more ‘things’, we feel spiritually poorer and less happy. So how can government help to guarantee the common good and the happiness of our citizens? We need nothing less than a Marshall plan for working class communities.

Democratic socialist societies can leave no-one behind. We cannot reshape our political economy by reinforcing the exclusion of groups who already suffer disadvantage and discrimination. So it follows that the position of women, should be transformed too. This is one of the crucial ways we can challenge poverty and improve the life chances of the generations to come. It is now time to tackle discrimination and disadvantage in all its forms, rather than just measuring it.

We must start by spreading the gains of economic growth, prosperity and opportunity more fairly across the regions and nations of Britain to stimulate economic growth everywhere. The Tories have rewarded pre-existing advantage by localising the rewards for economic success. Their policies, such as those on business rates, require urgent review.

We need to think far more ambitiously about what would constitute a modern industrial base that would allow us to compete in a changing world. Given the central role of ideas, knowledge and skills in Britain’s modern economy, this means changing the way we teach and upskill people throughout their lives, including rewarding employers who invest in their people.

We also know that entrepreneurial activity – risk-taking and creativity – will be crucial in driving British success. There is a tricky compromise to be reached between rewarding success and ensuring that we don’t leave behind those that try but don’t succeed the first time. This is particularly important for women, who are the fastest growing group within the rapidly expanding ranks of the self-employed, with many women working part-time for periods in their lives. Only Labour can or would deliver the active state that would both reward entrepreneurialism and leave no-one behind.

Finally, as we are seeing with greater frequency when it comes to enormous globe-spanning corporations, today’s solutions are looking increasingly creaky. If the owners of the means of production are an app developer in San Francisco – well
outside of the reach of HMRC – the workers are sole traders working across London. And when there is no shop floor on which to organise, how do we rebuild unions that can reach across national divides and ensure people receive fair wages that allow them to live with dignity? How do we ensure they pay their fair share of taxes to reinvest into opportunities for all Britons? That will require increased global cooperation, not less. Brexit, ironically, was a step forward in terms of Britain’s ability to redistribute profit to those upon whose labour it was created.

We must now turn to explain how we will ensure that creativity and entrepreneurialism are rewarded. And we must ensure that those that endeavour to do something new and fail will not be left destitute. Our Labour movement leaves no person behind. So we must respond to this new emerging world.

Our place in the world
Brexit will end a fifty-year-old strategy which sought to replace the UK’s imperial past with closer economic and political cooperation with the democracies in Europe.

The question for Britain needs to be how the future of our engagement with the world can bolster our capacity to achieve our national goals and those of our citizens. We need good jobs. We need our expertise and ideas and manufacturing to flow around the world, bringing back revenues that help pay for our enabling state and create high-quality jobs. We need to be able to exert pressure on foreign companies to do the right thing by British workers and ensure they pay their fair share of corporate taxes.

Many of those who supported Brexit aspire to turn Britain into a deregulated offshore financial centre. This is not our vision. We must forge a new relationship with the democracies of Europe that maintains our values of solidarity and cooperation, lead a conversation between our sister parties on a shared, modern vision for our continent, and ensure that the Brexit negotiations do not lead to an acrimonious divorce. Part of this common vision will include making sure that our worker and corporate regulations do not deliberately undercut EU standards. We want Britain to succeed because it is the best place to work, the most forward-thinking, and attracting the best talent. Not because it is the easiest place to set up shop and exploit our hard-working, well-trained citizens.

Beyond Europe, Labour’s vision of Britain’s place in the world has been in turmoil for at least a decade. It is not good enough to simply be a passive observer of events, tutting at things we don’t like. Britain, like it or not, is a global superpower. We are the world’s fifth biggest economy, a diplomatic heavy-hitter and retain a powerful military capable of projecting force anywhere. Our role in the world must be to spread the same respect for human dignity that lies at the core of our movement. It means helping those in need, empowering those that are weak, making friends and fighting evils where we see them – whether they be poverty, ignorance or the capricious violence and repression we still see in the world. For those that care only about Britain and its economic success, we must defend internationalism at all times by reminding them that our reputation in the world – our soft power – intimately affects our ability to exert change that benefits Britain as well as other nations, including getting deals to repatriate offshore taxable profits and setting labour standards that protect workers.

Rethinking our political economy
So it is clear we need to use this once in a lifetime rupture in our national strategy to forge a new and progressive way forward. We must build on our internationalist values and collectivist culture. It is about time we as a nation stopped falling for the Tories’ reductive austerity rhetoric, which outrageously tries to compare investment for the future to frivolous spending on the nation’s credit card. Crude politics, employing misleading metaphors, may have won at the ballot box in the last general election but will not help Britain win in the long term. For me, this summer’s sporting endeavours were a far better metaphor. We all saw our amazing haul of medals from the Olympics. That success was built on central planning and intelligent, strategic investment to nurture talent to help athletes develop; allow us to pull ahead of the rest of the world; and bring pride to the nation as a whole.

We need to invest in both physical infrastructure and human capital. For tomorrow’s economy, we desperately need to increase the accessibility of digital infrastructure, transport and housing, as well as skills training and citizens’ capacity to retrain fast and effectively. That also means encouraging companies to take on people for their work ethic, character and future ability. We need to give them the certainty the government will reward investment into workforce development.

Part of that planning will involve assessing what Britain does best and focusing on our strengths. But it’s not just about winning. We need to win right, so this analysis needs to include projects which: add to social infrastructure; boost women’s participation in the workforce; and encourage the sense of fulfilment people feel when their lives mean something and they are part of a great Great Britain.

The Tories’ slash-and-burn attitude to the state has included a failure to think intelligently about research and development, and innovation strategy development, from the bottom-up. We need to develop products and services that help create the jobs of the future. Some have suggested “super-catapult centres”, which act as force multipliers for governmental spend and effort. We need a wider and more comprehensive network of these centres, working closely with universities, industries and unions. By clustering these centres intelligently to make them as efficient as possible we can demonstrate how government can help and not hinder people’s lives and would form part of a Labour government’s active and explicit commitment to regional economic plans. This cooperation would form the central economic plank of a devolutionary agenda that isn’t just about local government but communities as a whole, allowing for rational local integration of education, skills and training.

When people lose faith in government, social democratic parties suffer. Laissez-faire market economics with active redistribution was an approach to government that worked, to an extent, in a different time. In today’s accelerating, globalising, opportunity-filled world, Britain can still succeed and government must play a huge part in that success. But social democratic parties need to rethink how we do things. We need to rediscover – not the policies from our movement’s past – but the willingness to embrace change. We need to help people manage the risks that change brings and to harness the whirling energies of change to catapult Britain forwards. This is the only way social democratic politics can ever succeed and is our only way back to being a credible party of government.
Given the tensions within the Labour party and on the left, it might appear self-indulgent to talk about a new internationalism. But the kaleidoscope has been shaken, and when the pieces fall into place, we had better make sure we emerge as a political force that is capable of being in government. The blunt truth is that Labour only has relevance if it is serious about being a party of government with a credible policy agenda. If Labour members want to be part of a pressure group they are in for a shock. There are a lot of other organisations out there that do that job, and they do it better.

After losing office, parties go through phases of reorientation. It starts with “we’ve lost, but behave as if we are still in charge”. Followed by “we just attack, to show that we are a damned good opposition”. And finally “we can demonstrate to the British people that we are better than the current lot”.

The danger is that we get stuck in the second phase, and come to believe that being a critical commentator is sufficient. Only in power can we shape the agenda.

Members of parliament know this, particularly those who were in the Commons before 2010. The worst day in government is better than the best day in opposition. But newer MPs can be seduced into thinking that just landing blows at the Conservatives, enjoyable as it is, is what it is all about.

And voters know it too. Look at what happened to the Liberal Democrats. Most of their speeches can be written in advance. Whoever is in government has done too much or too little, and done it too late or too early. It’s never about today and what difficult decisions they would be prepared to make. After serving in the coalition they went to the country largely arguing that they stopped the worst excesses of the Conservative right. The voters weren’t impressed and reduced the parliamentary party to a rump.

Labour must be an actor, not a bystander and commentator. Politics is the art of the possible, underpinned by values and principles. Bland statements and unrealistic aspirations won’t do.

That is why it matters that Labour has a credible foreign policy. One that is rooted in our values and principles, but based on actions that can be started in opposition and developed in government.

At its heart, Labour is an outward looking internationalist party, and we have not historically spent time tearing ourselves apart over Europe. The Conservative party fault line of sovereignty has not run as deep in Labour. Concerns about the lack of democratic accountability in the EU have deep roots on the left. But we have tended to overlook the loss of accountability exercised by electors in member states and seen it as a price to pay for cooperation rooted in our belief that there is greater strength in collective action. We must now recognise that the EU referendum has exposed some unresolved conflicts which we as a party need to address. The referendum did not cause them, but it flagged them up in big neon lights.

The decision to vote to leave the European Union is the culmination of a process that started when John Major’s government negotiated opt-outs from the Maastricht Treaty. We would not join the single currency and we would not be part of the single travel area called Schengen. But we did accept the concept of EU citizenship and the transition from free movement of labour to the free movement of people.

The 1997 Labour government played a significant role in shaping what became the Lisbon Treaty. But it did not only not retract from the Maastricht opt-outs, it even promised a referendum on any future decision to join the euro.

This brief history is important for two reasons. First, we stopped thinking rationally about the developments in the European Union. We saw that all we had to say was “Europe” and the Tories would start fighting with each other. And we knew that the voters hate divided parties.

We moved with seamless ease from an anti-common market party in the 1980s...
to an unquestioningly pro-EU party in the new century. To appear united became more important than critical analysis.

Even during the referendum those of us who openly campaigned to leave were airbrushed out of the Labour family picture. This would have mattered little, if it had not also meant that whole swathes of traditional Labour voters also felt they were being ignored.

When it came to Europe, social democratic principles were no longer applied to a whole range of things. We did not even comment on the way a whole generation of young people in countries like Greece were thrown on the unemployment scrapheap, because the political project of saving the euro as a currency demanded it.

Second, we failed to take a dispassionate look at the immigration figures and what it meant for communities. Insufficient planning for local firms and public services meant not enough people were trained, and recruitment from abroad became a permanent default position, rather than a response to a temporary need. Wages were kept low by recruitment from areas in Eastern Europe with significantly lower wage levels. This caused huge problems for communities, but too many on the left refused to acknowledge this. We told our voters they were racist or ignorant or both.

Labour must acknowledge these two factors before it can have a European policy fit for a party that is serious about government, because that policy has to take the country forward. The British people have voted to leave the political union, but we can and will continue to shape the future of the European continent. This is our Europe. It belongs to us as much as it belongs to the French or the Germans. Now is not the time to try and re-run the decision, or to equate it with becoming inward looking, isolationist or racist.

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We must now focus on implementing the decision the country took. A decision to put an end to the supremacy of EU law over UK law, to break the link with access to trade and unlimited free movement of people, and to spend more of those funds which currently go to the EU on our priorities like the NHS and public services.

When it comes to things like workers’ rights we should be proud that successive Labour governments gave us the minimum wage and improved workers’ rights beyond European standards. I want those rights protected by a strong Labour party that is capable of being in government.

The coming years will involve rewriting the rules of our relationship with our European neighbours. Labour can sit on the side lines or it can shape the future. I will be on the side of those who fight for the best deal for this country, rather than try and turn the clock back.

Labour has always been internationalist and worked on the principles of cooperation. We have fought for universal human rights and separated foreign policy from international development. And in the late 1990s it was Labour which spelt out principles of when intervention is right, and worked on developing a concept of a duty to protect.

We now need to return to a willingness to engage, act and when necessary intervene. The decision to go to war in Iraq and the subsequent developments must not stop us from articulating new principles – albeit ones shaped by the errors made over Iraq.

What would today’s Labour party have said if faced with the 1994 genocide in Rwanda or the conflict in Kosovo? Would we be able to even begin to articulate a policy that could set out a series of actions that could save lives?

Whether it is Syria, Libya or Yemen, we need the military and diplomatic capacity to first win the war and then maintain the peace – as well as being able to respond to humanitarian crises.

NATO remains our main military alliance. Much is done on a bilateral basis and it is clear that we will, in almost all circumstances, work with allies, rather than alone. But we do need to be able to articulate what role we wish to play in the world. We have a permanent seat in the UN security council and together with France provide the largest military capability on the European continent. The left needs to move beyond hand wringing and decide not just what it thinks about things, but what it would do about them.

This takes me to the final point. As a party we have neglected contacts with our social democratic sister parties. Country-to-country relationships are important, as we face similar challenges. The Westminster Foundation for Democracy provides a very useful forum but it is not sufficient. We have neglected these relationships as they are seen as “no votes territory”. True at election time, but in the long run it diminishes our reach as an international movement.

A new internationalism for the left means being an actor in a world where the successive waves of globalisation – of goods, to money, to people – have shown that many of the post-WW2 institutions aren’t capable of responding to the challenges we face.

Statements of ideas and values are comforting because they allow a degree of certainty, tidiness and purity. Actions are complicated, uncertain and often involve a balance of moral values. But actions are what government is about and actions are what change things for the good.

If Labour wants a foreign policy fit for government, it needs to shape institutions, articulate its values and be prepared to take difficult decisions.
According to clause IV of its constitution, the Labour party “believes that by the strength of our common endeavour, we achieve more than we achieve alone.” That principle, of working together, of pooling risk, of not leaving individuals at the mercy of the slings and arrows of outrageous fortune, has urgent contemporary relevance for the left. Rarely has the United Kingdom seemed as divided. On 23 June, two of the UK’s constituent parts, England (by 53.4 per cent to 46.6 per cent) and Wales (by 52.5 per cent to 47.5 per cent) voted to leave the European Union. Two voted to remain: Northern Ireland (by 55.8 per cent to 44.2 per cent) and Scotland (by 62 per cent to 38 per cent).

These are not mere differences of opinion between our home nations; rather, the divisions raise pressing questions that politicians will have to answer in the months and years ahead. And for politicians of the left in particular, answering these questions, and seeing the positive opportunities in amongst the many difficulties is particularly pressing. It is not only vital for the future of our United Kingdom, but it is key to the survival of the Labour party as a powerful force for change.

On 18 September 2014, Scotland voted to remain part of the United Kingdom (by 55.3 per cent to 44.7 per cent). But that was on the basis that the UK was a member of the European Union. Now, Scotland has voted to remain, but the UK as a whole has voted to leave. The Scottish first minister, Nicola Sturgeon, has raised the prospect of a second independence referendum, run on the basis not of a leap into the unknown, but of remaining within the EU.

Meanwhile, Northern Ireland’s deputy first minister Martin McGuinness has called for a border poll on a united Ireland. Whilst this may be regarded as a distant prospect, there is the immediate problem of the 300-mile land border between north and south on the island of Ireland. Whilst Northern Ireland remains part of the EU, there is free movement across the border with fellow EU member Eire, which is crucial to travel and trade. A pragmatic approach is now required to ensure secure borders whilst maintaining the way of life of those who rely on crossing and re-crossing the border without hindrance on a daily basis. The Good Friday Agreement of 1998, surely one of the greatest achievements of any UK government, meant that the army watch-towers along the border became a thing of the past. We have to ensure that the border does not once again become a divisive frontier, as the outer edge of the EU.

These are some of the many practical issues that need to be addressed, yet a practical approach alone is inadequate if we are to keep our four nations united. The Brexit vote was made in a particular set of circumstances. From 2010, the parties in power in the four parts of the UK have all been different. The SNP’s popularity has soared north of the border in the wake of the Scottish referendum. In Wales, Plaid Cymru has not enjoyed similar success, with the exception of Plaid’s leader Leanne Wood gaining the Rhondda seat in the 2016 Welsh general election and then making a bid, ultimately unsuccessfully, to serve as first minister.

The challenge posed by the nationalist parties should not be seen only as anti-establishment. Rather, the politics of identity they represent should be understood, and reflected in our own approach. The distinct Welsh Labour brand has served the party well in the principality. Speaking in the first Welsh Day debate in the House of Commons on 17 October 1944, Aneurin Bevan contended in the House of Commons: “Wales has a special place, a special individuality, a special culture and special claims,” accepting there was a case for devolution. But he then set out that, for him, there was “no special solution for the Welsh coal industry which is not the solution for the whole mining industry of Great Britain.” Bevan may have been opposed to devolution, but these words capture the nature of the issue: celebrating the diversity of the home nations whilst uniting them with progressive policies is the ultimate political challenge of the post-devolution age.

Labour is in a unique position to meet this challenge. The Conservatives can win a parliamentary majority without winning a single seat in Scotland, and by focusing only on England and Wales. Labour cannot do this. Labour has to appeal to voters in in Scotland, Wales, and across the length and breadth of England. Thus, concentrating on issues that appeal to the country and bind it together is the task we must focus on.

There is an argument that these very facts point to the need for electoral reform, to allow party representation in areas where first past the post is currently shutting them out. But the Conservatives do not intend to
change the electoral system anytime soon, save for the proposed boundary changes. The left must win power under the voting system as it stands.

First, we should argue for entrenchment in our constitutional arrangements. Despite a growing complexity in our governance arrangements, we still have an uncodified constitution. We should seek to write one single document, rather than watch the Supreme Court continue to set out constitutional arrangements in piecemeal fashion in individual judgments, as it adjudicates between our Westminster government and the devolved bodies. New Scotland and Wales bills in this parliament will strengthen those devolved institutions, but constitutional reforms must not continue on a reactive basis. Rather, we need to be pro-active and create a long-term durability in our constitutional settlement. This could be done on an all-party basis through a constitutional convention, and one way of knitting the nations together could be through reform of the House of Lords. Like the US Senate, which contains representatives from all fifty states, representatives of the devolved nations could sit in the second chamber.

For many years, academics have puzzled over Tam Dalyell’s West Lothian question: how it was right that, with devolution, Scottish MPs could vote on English issues, but English MPs could not vote on Scottish issues. Devolution all round – that is, in England outside London as well as the rest of the UK – should be the answer to the West Lothian question, not the English Votes for English Laws method that the Conservatives have quietly pushed through parliament. If parliament is to remain a United Kingdom legislature, all MPs have to have equal voting rights.

Next, we have to consider resource allocation across the UK. In 1978, Labour chief secretary to the Treasury Joel Barnett devised a formula, based on short-term political considerations, allocating public spending between England, Wales, Scotland and Northern Ireland, in ascending order. Never meant to be permanent, and not based on relative need, this is due for reform. At the height of the Scottish referendum campaign, then party leaders Ed Miliband, David Cameron and Nick Clegg promised to maintain the Barnett formula for Scotland. But the reality is that, with EU social funding set to be withdrawn once the UK leaves, funding questions are once more open for debate in this new context. This provides an opportunity to reconsider what fair funding looks like. To look again at moving to a funding settlement based on need, that includes looking at deprived areas in England as well.

That the UK’s devolved bodies are all unique also provides opportunities, meaning that each can be a laboratory of public policy. Each devolved institution has the capacity to innovate, and thus promote “best practice” across the UK. This should not be seen in any sense as trial and error, but rather, the opportunity to improve policy outcomes in different ways whilst learning from the experience of other institutions. The Welsh Labour government’s Housing (Wales) Act 2014 is a fine example of a piece of legislation that other parts of the UK should follow. It places emphasis on preventing homelessness, not only dealing with its consequences. Thus, Clause 55(4) of the Act tightly defines potential homelessness: “A person is threatened with homelessness if it is likely that the person will become homeless within 56 days.” This means local authorities have a far greater duty to find alternative accommodation before people are out on the streets. England would do well to follow suit.

Alongside these distinct approaches should be a coherent set of progressive policies from the UK Labour party that makes an offer to left-of-centre voters all across the country. Non-devolved policy areas remain crucial, and the state of the UK economy is central to the monies available to devolved governments. Reform of the personal tax system to help the lowest-paid, or a wealth tax, would have an impact across the UK. Treasury issuing of long-term government gilts to fund investment on infrastructure – whether on transport or on digital, in the form of achieving comprehensive broadband coverage – could not only kick-start our economy but also link the people of the UK together more than ever before. The EU provisions protecting workers, consumers, and the environment that have been incorporated into our domestic laws over decades must be retained and strengthened.

There has undoubtedly been a post-referendum blow to the confidence of the left in UK politics. This is unsurprising. It has not been easy to see the new situation as presenting opportunities, particularly since internationalism has always been such a key component of our socialist thinking. Yet it is because of our historic sense of the collective that we in the Labour party have so much to contribute to a post-referendum UK. Seizing the moment requires a vision of how the left sees the 2020s in UK politics: a settled set of constitutional arrangements, a progressive vision across the whole of the UK, and a willingness to develop, and learn from, our devolved politics. We must meet this challenge collectively because we are, quite simply, better together.
We must develop a new approach to immigration and freedom of movement

Stephen Kinnock is the Labour MP for Aberavon
The result of the EU referendum revealed a divided Britain: 52 per cent voted to leave in a rejection of a status quo that hasn’t worked for them in decades. People decided to ‘take back control’, even though they knew there’d be economic consequences. For many of the 48 per cent who backed remain, there’s been despair about what the result means for our future, and what it says about the character of our country. There can be no doubt, immigration is the issue that throws that divide into sharpest relief.

Nothing polarises attitudes like immigration: at one end it’s a universal good – economically and as a real-life expression of British openness. At the other, immigration is the cause of changes many people believe have relegated them to the outside of their communities. The former are portrayed as politically-correct elitists, running the country in their own interests; the latter are denounced as racist nationalists.

It’s an issue we, as a country, must tackle head on, because we’ve seen where ignoring it leads: exit from Europe, fractured communities, and the emergence of a publicly-confident racism. Healing these divisions is the pre-eminently challenge to fuel anger towards immigrants as ‘the other’. At the other end of the debate, the left’s conflation makes it uncomfortable to discuss the real-world impact of immigration as a dynamic of change in communities, for fear of being seen as racist.

Thirdly, concern about immigration doesn’t automatically equal racism. Thanks to the race-baiting tactics of Farage’s Ukip and others, concerns about immigration are too often answered with a charge of racism. As we stand up to genuine racism, we must recognise that having concerns about the impact of the dynamic of immigration, as separate to immigrants, is legitimate.

Many people are genuinely concerned about the impact of the immigration dynamic on their community, but the limitations of our discourse mean that feeling often manifests itself in vitriol directed at people themselves. Therefore, we must look past our moral disagreement with the conclusions people draw and truly listen to what has led those people to their perspective.

Finally, the impact of immigration is not measured, it’s experienced. We often answer concerns about immigration with statistics, yet you speak to people across the country who reply “I get that, but it’s not my experience of immigration.” Exploring this experience is Professor Justin Gest’s The New Minority: White Working Class Politics in an Age of Immigration and Inequality. Gest’s central thesis is that over recent decades “white working class people sense they have been demoted from the centre of their country’s consciousness to its fringe. And many feel powerless to do anything about it.” And while we talk about economic inequality, Gest’s research is clear: the driving force of people’s perspective is a feeling of social and political marginalisation.

As part of this social trend, immigration is both a cause and a victim: “White working class people believe ethnic minorities have been given social advantages at the expense of white working class people.”

Many might question whether this feeling is justified; the social and economic predominance of white people in general isn’t in question and they have the advantages of language and integration. Some will say this smacks of ‘white privilege’.

However, feeling marginalised and discriminated against is born of experience and perspective, neither of which...
are quantifiable. To deny the reality of the experience of white working class people, quite frankly, smacks of ‘class privilege’ and ignores the responsibility of government for the structure and success of society.

In absence of anyone else, including the Labour party, engaging with this reality, the BNP, EDL and Ukip have channelled that feeling to be anti-immigrant; stoking embers of blame and grievance. As morally repugnant as we may find these parties, they’ve given the white working class not just a route for their frustration but, importantly, a voice. In the words of one of Gesti’s respondents:

“The EDL & BNP exploited us. They know we don’t have a voice. They know the government doesn’t give a shit about us. For 20 years we haven’t had a voice. But to get that voice, we had to agree to be torn apart.”

With these truths in mind, we must ask ourselves – what are we trying to achieve?

I believe two key values of the society we must build are openness and non-racism. These values aren’t defined by the number of immigrants entering the country, but by the quality of experience every person has of this country.

This allows us to set out the role of immigration within that: as much immigration as possible, without driving social tensions to such an extent that racism breaks out.

It says we can be pro-immigration and champion immigrants as part of a non-racist and open society, while recognising we have to manage immigration so those values aren’t threatened.

This is facing up to a human truth: nobody is born racist, but immigration that reaches levels beyond a society’s capacity to cope can lead, in extremes, to racism. That racism fuels a vicious, ugly backlash, in which there is tremendous anger in one community and tremendous fear in another. Nobody wins and everyone suffers. It sets back our ideal of an open and non-racist society, while recognising we must balance our desire to come less pro-immigration, just that we recognise we must balance our desire to encourage immigration with our ability to manage immigration and its impact. This stretches across almost every responsibility of government, from entry requirements and integration support, to economic and public service investment to combat marginalisation. This managed balance is what makes immigration sustainable and takes us ever closer to a non-racist, open society.

So, what would managed immigration look like in practice? At the heart of the detailed policy that’s required sits a key question: how do we replace the current system of freedom of movement with a work-permit system?

The answer to this question will be driven by how we judge who should be able to receive work-permits. This must be a carefully calibrated approach given the subsequent impact on our communities and economy, so will likely have to be a system predicated on (i) the applicant’s skills and qualifications; (ii) the need for those skills in the economy; and (iii) their economic context.

We can no longer support limitless freedom of movement as our society doesn’t have the social, economic or political capacity to make it sustainable

While the priority is designing a transition to a work-permit based system, a comprehensive approach requires a broad range of complementary policy to be considered, including proposals to: establish a Scandinavian-style Foreign Worker’s Registration Agency; create a commission to consider how we can accelerate the hiring and training of British employees; expand the Migrant Impact Fund, from £35m to £500m; extend English language learning opportunities; and increase funding to enforcement bodies to crack down on exploitation of workers that has driven down wages.

The policy detail of this holistic approach should be developed by a dedicated Labour team as soon as possible, given the critical nature of immigration to a post-Brexit world.

These are complex questions, both in the process we create but also what the answers say about the nature of our country, with implications for our economic, trading and international future. We can’t be squeamish about having a comprehensive discussion about how we do this – getting it right is too important.

However, in the short-term, as we enter Brexit negotiations, this managed approach must be driven by two core principles.

First, we can no longer support limitless freedom of movement as our society doesn’t have the social, economic or political capacity to make it sustainable. It is clear Brexit negotiations will be shaped by the so-called ‘Brexit dilemma’: we know that Britain is unable to absorb limitless free movement, but a shift to a different system is only possible on condition that we leave the single market, which in turn would present profound challenges to our economy. However, were we to continue to support limitless freedom of movement, it will do untold damage to our democracy and society.

The only way Theresa May can resolve the Brexit dilemma is to negotiate a pan-European agreement on reducing freedom of movement, as a precursor to negotiating the new terms of our access to the single market. Our prime minister is supposedly a tough and accomplished negotiator. For our country’s sake, she must now prove it.

Second, we must protect the rights of EU citizens in Britain. It is both the morally right and sensible thing to do, given the contribution these EU citizens make to Britain, and given that we require a reciprocal commitment for UK nationals in other EU countries.

Some will say managing immigration is a ‘tough’ approach. If limiting immigrant numbers were the defining objective, I would agree. But it is not.

The managed immigration approach I am proposing is rooted in left wing values and anchored in the reality of post-referendum Britain. It will allow us to build an open and non-racist society, and will help rebuild Labour’s electoral coalition, staying true to the values and pragmatism that have been the basis of our historic successes and support. It is a means to an end, not an end in itself.

It is also an approach vital to Britain in a post-Brexit age: in the era of increasing globalisation, the people and countries who are successful in the future will be those open to other cultures, international opportunities and to new technologies. And the successful governments will be the ones who bring their people together, to make immigration work for all.
I t is the first duty of government to ensure that our people and communities are protected and kept secure. Secure from crime, secure from terrorism and with strong defence against the many threats that exist in an ever changing world. That is one of the reasons that many of us campaigned hard to remain in the European Union, as cooperation was, and is, key to tackling those threats.

As the world has become more globalised, so too has crime. What was once a situation of localised and isolated criminal and security pressures on our safety has now become a web of interconnected illegality and pan-national terrorism. All UK governments have rightly placed significant emphasis on tackling these threats. Firstly, by developing robust domestic security services. Then, as illegal activity became increasingly globalised, we created links with our European Union partners and other national governments. The state has been in a race to keep ahead of terrorism and crime, a race which we can be proud to have, so far, led.

However, Brexit potentially puts that progress at risk. It’s now crucial we lay down the tests we should be setting the government in renegotiating our future relationship with the EU to ensure we keep the UK safe.

To do so we must fully understand the current threats we face, which are led by the threat of terrorism. Preventing and disrupting potential terrorist acts is self-evidently vital. But while it is true that terrorism is the most pressing threat facing the UK today, it would be disingenuous to ignore the multifaceted menaces that attempt to undermine the rule of law and our safety.

Crime does not operate in isolation. Very often serious organised crime helps fund terrorism, and terrorism tries to punch through our international security barriers leaving behind voids that people traffickers can manipulate.

People trafficking has provided a background base to international crime for decades. But more recently, with the horrendous situation in Syria and North Africa, we have seen this form of crime make itself known on a more prominent basis. Not a day goes by when we do not read online or watch on TV distressing images of people fleeing for their lives. Their desperation for safety opens themselves up to unscrupulous people traffickers who profit from fear. The UK may not be at the epicentre of this booming crimewave, but if we fail to work with our international partners it will be an activity that reaches our shores.

Only recently eighteen people were rescued from an inflatable craft which began sinking a mile-and-a-half off Dymchurch in Kent. The Home Office’s very own immigration enforcement team recently said “organised crime groups work across borders, not just in the UK. They are working all over Europe, into the source countries. It is a massive network”. People who are trafficked into countries become victims of exploitation from illegal working to sexual exploitation. It is imperative for the future negotiations to include detailed plans on how together we undermine and destroy the people trafficking networks. The very networks that prey on desperation and promote misery and criminality.

We also face organised crime, which profits on the movement and sale of narcotics and arms. The UK has some of the tightest controls on drugs and guns in the world. The pressure that is being exerted on our, and our neighbours’, borders by those trying to smuggle in these banned goods is extraordinary. We are one of the very few nations in the world that have outright ban on handguns, which has drastically reduced deaths by firearms in the UK. But criminal gangs thrive on the sale and use of these banned weapons, leaving the UK a prime target for smuggling. This principle applies to the import of illegal drugs as well. Our tight restrictions on drug use mean organised criminal gangs wish to exploit the resulting demand in supply. The UK government is constantly having to re-evaluate the ability of the border force and police to track down and bring an end to these criminals; a task that will dramatically change with the UK leaving the EU.

As it stands, we face these challenges within a framework of directives and multinational agreements that being a member of the EU provides. Understand-
ing these structures is an important step for understanding what we need to secure for the future safety of Britain.

One of the most important institutions that accompanies the EU is Europol. It has helped to carry out over 18,000 cross-border investigations each year. Cooperation within this organisation has resulted in many criminal and terrorist networks being disrupted and the arrests of thousands of criminals, as well as action to tackle the scourge of people trafficking. It has also led to more than 4,000 suspected criminals being sent back from the UK to other EU nations, under the European arrest warrant, and over 700 suspects being returned to the UK to face justice. In total, since 2014, 11,217 arrests have taken place because of the EAW.

Currently, being a member of the EU also means that we are a member of the European Union Agency for Network and Information Security (ENISA). This little known institution focuses its attention predominantly on the private sector. It is designed to ensure that the internal market of the EU can work at its most efficient by providing the private sector with the support and information they need to meet the minimum standards of security. This is an often overlooked area of crime. If we cannot provide the protection to our businesses from organised crime and state backed industrial espionage we can no longer proudly say Britain is the best country to do business in.

So, how then do we counter threats to our security in life after Brexit? The first and most important goal that must be reached is to maintain cooperation with the EU. The Labour party and Britain are both internationalists at heart, and that means that we should never allow our government to turn its back on our regional neighbours. Cooperation with other nations is the only way we can continue to tackle, undermine and defeat globalised crime and terrorism. We only need to look towards nations that do not live within, or have access to, a common union of states to bolster their security to see that they are developing those very same links. The most famous of these is the Five Eyes intelligence alliance between Australia, Canada, New Zealand, the United States and the UK. Because all UK governments have taken security seriously we are expertly placed to still benefit from organisations both within and outside the EU. But we should continue to build upon current arrangements with other ally nations. Not only does this improve our safety at home and abroad, but it also gives our security services access to intelligence they need to develop new counter-terrorism techniques.

The second priority for the renegotiation should be that we must remain a part of Europol, which has acted as a conduit of knowledge for police services across Europe. Its ability to work cross-border has allowed police services to cooperate with each other, share intelligence and access information about organised criminal activity and terrorist organisations, but it also aids in training police. We also must retain the ability to access the European arrest warrant provision – not to do so would mean negotiating individual treaties and while we do so allowing home grown and international criminals to be let off the hook.

Thirdly, post-Brexit Britain will need to formulate a robust strategy for protecting private sector industries from cybercrime. It would appear that leaving the EU would see us leave the ENISA. So we need to build a relationship with our European partners and allies around the world. Only then can we provide the private sector with the best advice and resources to combat industrial espionage and malicious attacks. If a British government is serious about maintaining our place as one of the best countries to do business in, we need to have policies that will address this. Business security is often overlooked but as crime has changed, policy must also. More and more of the UK private sector depends upon a secure cyberspace in which to operate. Reassuring these businesses that Britain is serious about this could give us the opportunity to grow and develop our economy. This is an opportunity that should not be missed.

Finally, we must go forward into the world establishing new relationships with our allies to tackle pan-national terrorism. We should not ignore our excellent partnerships with EU nations, as only a Europe united by a determination to defeat terrorism will succeed. We have had a robust counter terrorism strategy in place, but we cannot rest on our laurels. Moreover, it would be wrong for an internationalist Labour party and country like ours to not use our knowledge and experience of tackling extremism and turn away from our partners who need our help. We should be sharing our expertise and helping our allies in training their security forces in our techniques, as well as learning from our partners.

Our prosperity is based upon our security. Now, more than ever, we need the government to re-evaluate what our security partnerships mean and how best to utilise them. The first duty of government is to provide security and this should underpin a post Brexit Britain.
Two days before the EU referendum, I visited the largest private sector employer in my constituency.

It’s a business I know well. Many there voted Labour at the last election and I had spoken to some of them during the general election campaign a year earlier.

The business employs about 800 people, up from 750 in 2007 and 500 during the last recession. The business helps major retailers import clothing and get their goods to shops across the country. The chief executive works with a community centre to recruit young people, although – like many employers – they also hire many Eastern European workers, particularly Poles.

Despite the support for Labour, I knew it was going to be a tough audience. Many workers blamed Europe for the fact their wages had barely kept pace with the rising cost of living. Most felt immigration was too high and out of control. Few thought the government was on their side. They listened politely while I talked about the risks of voting leave. But the raw anger came out in the question session afterwards.

The arguments included: “who cares if leaving Europe meant fewer jobs? The jobs all go to foreigners anyway”; and “there was a massive recession when we were in the EU, so you can’t say leaving will cause a recession”.

The people I met believed leaving Europe would mean less pressure on public services and more money for them because the downward pressure on wages would ease with fewer EU migrants competing with them for work.

A recent study by the Resolution Foundation found that, while widespread migration into the UK had no overall impact on the wages of British workers, it had caused a “slight drag on wages” in some sectors.

The remain campaign consistently refused to acknowledge that effect on wages – even though people felt it was true. Leaving won’t mean higher wages because the impact of a recession, or at least slower growth, outweighs any positive impact of less competition for jobs, as the Resolution Foundation study highlighted.

But it is important to acknowledge that being a member of the EU did help keep wages lower for many workers. Workers need a pay rise and they resent the fact that others keep getting richer while they work hard but struggle to keep their heads above water.

The remain campaign – and Labour in particular – had little to say to working-class voters with whom we, above all the other parties, should have been able to communicate. We did not offer any solutions to those who felt locked out from opportunities.

There was nothing to say about better skills provision to boost wages, either in the form of continuous education or about how we would use industrial policy to deliver more secure, well-paid jobs.

I knew in my heart at lunchtime on the day of that workplace visit that we’d lost the referendum. My head had told me – the economist – that we would win because the consequences of leaving were a risk voters wouldn’t take. But, by Friday morning, we knew the leave campaign’s emotional message was stronger than the rational arguments of the remain campaign.

Looking back, I think politicians’ failure to acknowledge voters’ legitimate concerns meant we didn’t earn the right to be heard on other issues – like the rights at work that are now at serious risk outside of the EU under a Conservative government. We didn’t convince those who were uncertain or who didn’t vote at all. But we asked the question and so we must respect the answer.

So, how do we interpret the vote and what should we on the progressive left be demanding from the renegotiation?

Immigration controls and ending free movement has to be a red line post-Brexit – otherwise we will be holding the voters in contempt. Subject to that, we need the greatest possible access that we can get to the single market without free movement.

The challenge for Labour now is how we get the best deal for working-class voters – many of whom have drifted away

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from us as a party since the 1970s to other parties including Ukip – and ensure the best economic settlement in terms of trade, immigration, growth and good jobs.

We have to focus on our key priorities. We need tough negotiations to keep exports and imports tariff-free in the interests of British – and European – exporters as well as consumers. We must also ensure the fullest possible access to the single market for the UK service sector. If that means signing up to rules on regulation or data protection, for example, that would be a price worth paying to protect jobs and investment.

We also need to be clear about what the chancellor must do to steer the UK through these turbulent times and build a strong and resilient UK economy outside the EU.

This means urgent action in a number of areas to rebalance the economy away from the focus on London and the south-east to ensure good quality and well-paid jobs in all areas of the country.

The new chancellor Philip Hammond has said little about George Osborne’s so-called Northern Powerhouse and the investment and jobs he promised which could boost our northern towns and cities.

That investment is vital because it is Labour communities outside the relative prosperity of London and the south-east that stand to lose most by our departure from the EU. We need a coherent industrial strategy, not just as a knee-jerk reaction to Brexit, because this is what has been missing since the Conservatives came to power six years ago. The prospect of Brexit makes the need for that strategy all the more urgent – to protect jobs, boost employment and to extend opportunities across the country.

Too many workers are stuck in jobs that fail to use their talents and skills and offer little prospect of development or progress. Too many people are locked out of the labour market by childcare costs, disability or other barriers and too many employers face obstacles to their expansion, such as inadequate infrastructure, lack of access to finance and difficulty finding skilled staff.

So what should the chancellor do to address these challenges?

First, the government must ensure adequate investment in infrastructure across the country – not just schemes like Crossrail in London. The investment gap between London and the rest of the country is stark. The capital received £5,203 more per head in capital investment than the north-east, according to an Institute for Public Policy Research North report in 2014.

We must ensure regions in the north and elsewhere get a fair deal when it comes to investment in transport and other key areas like providing proper flood defences – something that’s crucial to businesses in constituencies like mine of Leeds West. These are some of the schemes that have to happen if the Northern Powerhouse is to ever become a reality.

The chancellor must be prepared to capitalise on the ultra-low borrowing rates to help fund investment outside London – rates that have fallen further still since we left the EU.

As well as environmental, energy and transport infrastructure, we should be doing more to get behind our digital economy. Our digital infrastructure is crucial, not just to tech firms and thousands of businesses, but also to rural and home-based entrepreneurs who need good connections to market their skills in Britain and abroad. We have some of the slowest and patchiest broadband in the developed world. The network needs more investment to unlock the creative potential of all our citizens.

Second, to ensure we can boost employment rates across the whole country, we must do more to support parents of young children who want to work. We should move towards a system of universal free childcare for all working parents of pre-school children. The chancellor could fund this by cancelling his predecessor’s regressive and expensive cut to inheritance tax which – set to cost almost £1bn a year while entrenching inequalities in our society. The money would be better used creating a universal entitlement to childcare for all working parents of children aged two. It would expand our workforce and make it easier for firms to recruit the talent they need.

Third, we will need to keep a hawk eye on employment protections and rights – as well as environmental and consumer protections and banking regulations. The Conservatives have always been determined to strip away workers’ rights with their proposals in the Beecroft report and promised a “bonfire of regulations”. Our membership of the EU made it harder for them to do that.

They must now guarantee to protect the rights enshrined in EU law and guarantee that trade deals do not result in greater private sector involvement in public services or a relaxation of workers’ rights. We must press for these crucial guarantees.

To make certain we avoid a race to the bottom, we should continue to shadow the EU’s employment legislation where they make advances. A future Labour government should go beyond this by working in partnership with business and trade unions to create more good, well-paid and secure jobs. At the very least, shadowing EU-wide advances in employment practices will be a vital check on the resurgent right-wing voices of the Tory Party who are now at the cabinet table.

Everything that has happened since the British people voted to leave the EU shows that we need to take these actions urgently. Just a few months after the result, we are seeing the impact of Brexit with firms cancelling or delaying investment, and jobs at risk.

After the vote, Ford has warned Brexit could mean job cuts and rising car prices. Nissan has suggested future investment decisions about its plant in Sunderland will depend on the outcome of Brexit negotiations.

The Bank of England has cut the base rate to a new low, and the Chancellor has been forced to promise to replace EU funding for scientists, farmers and retain many other EU schemes after our exit – at an estimated cost of £4.5 billion a year. He has also said the Treasury will guarantee to back EU projects signed before the Autumn statement.

But with the economic data deteriorating, more must be done. As our economy struggles to work out its new place in the world, the government needs a strong and sensible industrial strategy to rebalance the economy and protect jobs and growth across the UK.

All this must happen while we still take heed of the referendum result and negotiate our exit from the EU. If we fail to do that, people will despair because it will confirm their fears that no one is listening. Brexit must be a wake-up call for anyone who wants government by the people, for the people, of the people. And we on the progressive left must use this to help build a fairer and more inclusive model of economic growth.
Brexit has unleashed great uncertainties. Throughout the discussions and negotiations that will take place over the next few years, we need to be mindful of the need both to retain and to reset the economic model of regulation which protects workers.

I use the word retain because our membership of the European Union has undoubtedly underpinned many of the employment rights in this country over the last generation. It has guaranteed a minimum amount of paid holiday, it has given the civilising protection of maternity and paternity leave, it has allowed part-time agency workers the same rights as their full-time colleagues, and it has ensured that people are allowed in law to have a break after working long shifts and successive days. In many ways, this regulation has had a greater impact on workers than any other part of our membership of the EU.

Somewhat paradoxically, however, regulation had more of an impact upon the result of the EU referendum, especially amongst traditional working class voters that I represent in Hartlepool, than any other part of our membership of the EU.

Voters rejected continuing membership of the EU because they couldn’t see how the regulation of employment rights was directly affecting them, their families and their communities for the better. On more than one occasion, I have been asked by voters a question along the lines of: “If the EU has helped workers, how come there are still zero hours contracts and companies like Sports Direct don’t pay the minimum wage?”

In many respects, my constituency of Hartlepool in the north east of England is illustrative of the challenges the country and the Labour Party face. Hartlepool voted to leave the EU by a ratio of 69:31. The electorate dismissed the argument that workers’ rights underpinned by
EU action had helped individual employees. Their voting decision was a rational – if somewhat angry – choice, based upon their economic experiences over the last 30 or 40 years.

Over the course of my lifetime, Hartlepool, the town in which I was born, has been hit hard by globalisation and deindustrialisation. Heavy industry, which remained – just about – the bedrock of the local economy when I was born, has all been obliterated, and with it a reassuring certainty for life and employment chances.

Despite Hartlepool’s nuclear power station, which keeps wage levels higher than the sub-regional average, the loss of much of the town’s economic base has been acutely and painfully felt, and not easily replaced with comparable employment opportunities. Jobs have been lost not to immigrants – something like 98 per cent of people living in Hartlepool are white and British-born – but to the Far East and automation.

Our country now runs on a precarious economic model. While, for some, job security has increased, wage stagnation for people on low to medium incomes is a fact of life. In addition, the gig economy, in which workers may receive work for a short and intermittent period of work, without any associated protections like holiday pay or pension contributions, is rising.

How is the EU model of employment rights even relevant in the era of the gig economy? Prices have not risen for consumers, but that is little comfort for people struggling to make ends meet and who are seeing falling wages. Globalisation may have provided the opportunity to buy a cheap t-shirt or telly, but that could be at the cost of jobs in communities like mine.

Our business, innovation and skills select committee inquiry into working conditions at Sports Direct found treatment of workers more akin to a Victorian workhouse than a modern and supposedly reputable business found on virtually every high street and retail park in Britain. Sports Direct’s founder and majority shareholder admitted that the company was not paying the national minimum wage. How was employment protection, from Europe or anywhere else, helping those workers?

The changes to the tribunal system by the coalition government in 2013, which make it more difficult and much more expensive for a worker to take their employer to court for unfair dismissal, both reflect and are symbolic of the current mood towards regulation and its impact upon the employment model. The changes have nothing to do with European legislation, given that they stem from the wishes of the government in Westminster, but they push the line away from the worker in a disproportionate and unfair way. It is little surprise that tribunal cases for unfair dismissal have fallen by some 70 per cent since the changes were implemented.

All of this has given us an economic model where the cards are stacked against the worker. It is little wonder then that voters in Hartlepool and across the UK voted to leave the European Union – it was never seen to work in their interests.

Workers’ interests, therefore, should be the priority of the Labour Party during scrutiny of the Brexit negotiations. The party should be seen to be on the side of the worker and to maintain those hard-fought for rights and protections on anti-discrimination, equality and health and safety. Some elements of the Conservative Party will wish to dismantle much of this regulation. Cutting red tape tends to mean cutting workers’ rights. We should stop this from happening.

But equally, being pro-worker should in no way be interpreted as being anti-business. We cannot see a rise in the living standards of all in this country if we do not encourage and nurture the entrepreneurs and businesses that generate wealth and create success and prosperity. The general anti-establishment attitude which was a big part of the leave campaign – whose campaign, ironically, was led by representatives of the establishment elite – cannot be allowed to descend into the view that somehow all business is inherently exploitative. A pro-business attitude should go hand-in-hand with being pro-worker, reflecting not an idealistic and unrealistic view that everybody should just get along, but rather acknowledging that success in business comes from secure workers who are able to produce innovative ideas.

This is the context in which regulation should be seen. Regulation must always underpin a modern and successful economy. Labour must argue for a regulatory system which rewards innovation and secures prosperity for entrepreneurs, as well as protecting and nurturing workers’ rights.

This is also the context in which the negotiations towards exiting the European Union should proceed. The government must ensure that current rights of workers underpinned by membership of the EU are retained. Anything less would be a clear betrayal of protection for workers.

But the government needs to see these negotiations as an opportunity to go further and reset employment protection. It can reverse the tribunal fees decision made by the coalition government.

And we must ensure that all stakeholders can play an active role in the formation of regulation, rather than allowing government to impose new burdens unilaterally either without consulting or at the direction of powerful lobbies. That will mean proper and formal involvement in the regulatory process for both businesses and workers. It will also mean a focus on employment. An economy might have the best regulatory system on paper, but if enforcement of that system is not given proper priority, it is meaningless. The lack of a minimum wage at Sports Direct underlines this. Labour must ensure that enforcement agencies like HMRC and the Health & Safety Executive are given sufficient resources and powers to be able to carry out their roles as thoroughly as possible.

The vote for Britain to leave the European Union exposed deep-seated flaws with our current economic model. As Labour enters the negotiations, we must stand firmly on the side of workers who feel disempowered and ignored. But we should also remember that we can do better for business as well. Labour must use this opportunity to champion regulations that deliver real rights for workers, business innovation and long-term value creation.
Like any self-respecting observer of politics, I am always keen to know what the country’s taxi-drivers think about the state we’re in. So when I was late for a meeting the evening after the EU referendum, I grabbed a passing cab and asked my driver what he thought should happen to the UK’s green laws after Brexit, since so many of them originated in Brussels.

He was a confident leave voter and member of the Royal Society for the Protection of Birds. He was also unaware that many of our environmental laws were made in Brussels, and was keen to retain them. But, perhaps more significantly, he could only see things getting better since, in his view, the British people are renowned for their love of wildlife and nature. Outside of the EU, he was confident these values would have room to grow and flourish.

His perspective illustrates the risks and opportunities now facing the UK environment movement. A large proportion of the laws that protect our countryside and natural resources are indeed underpinned by the EU, and could be unravelling by a government with an appetite for deregulation. And yet the UK remains a place where people care deeply about nature, and have a patriotic pride in protecting it.

Polling commissioned by Friends of the Earth demonstrates why retaining green laws would be the politically wise option for the government. The overwhelming majority of voters, leave and remain, do not want to see them watered down after Brexit, and many believe they should be strengthened. Memories of recent defeats inflicted by Britain’s army of nature lovers should also focus Conservative minds. George Osborne’s efforts to gut the planning system were seen off by the National Trust, whilst a botched attempt to sell off the nations’ forests stirred up a hornet’s nest of resistance and was abandoned as a result. Any attempt at a post-Brexit bonfire of green regulation would likely suffer a similar fate.

The first priority of the environment movement must therefore be to make a simple and compelling case for the retention of our existing environmental laws – showing strong public backing, and working in partnership with businesses whose investments depend on such regulatory stability.

Once this principle has been secured, we will have the time and space to adapt these laws more closely to the contours of our particular geography, and to focus them on today’s challenges. This includes the restoration, as well as the protection, of treasured landscapes and ecosystems. But in doing so, we must argue that all changes are subject to public scrutiny. The people of the UK will be poorly served if they swap the jurisdiction of Brussels, including its courts and parliament, for the opaque executive authority of Whitehall, where Ministers and civil servants too often seek to side-line MPs, ignore or trample on independent advisors, and bypass the courts. Recent revelations about the neutering of Natural England (the English regulator of wildlife law) show how far down this path we already are. Great vigilance will be needed if our citizens are not to lose access to environmental justice when we leave the EU.

The task of securing robust laws and governance will occupy green campaigners for years to come. But they must also find space to understand and influence new areas of policy, including Britain’s trading relationships with Europe and the wider world. In some cases, it may be relatively easy to make the case for embedding or retaining high environmental standards in any future trade deals. The UK’s car industry, for example, is geared towards producing hybrid and electric vehicles for European markets, markets that will grow as the EU and UK clean up their transport system and tackle air pollution. Ambitious common standards make obvious economic and environmental sense.

But the impact of trade negotiations on other elements of environmental law could be less benign. It is unclear which, if any, consumer protections the government might be prepared to sacrifice to
secure agreements with countries whose goods are manufactured to much less stringent environmental and safety standards than our own. Such trade-offs are unpredictable, may be hard to map and follow, and require new areas of resourcing and expertise.

Farming and fisheries policies are more familiar areas for environmental campaigners, but here too new approaches will be needed. The common agricultural and common fisheries policies will disappear even under the softest of exit strategies, leaving the government with the complex task of creating a whole new policy framework for these hotly contested sectors.

In theory, it is hard to disagree with my cabby, who argued that we must be able to do better than the common agricultural policy or the common fisheries policy, modern by-words for bureaucracy and environmental harm. But to do so will take clear thinking and bold action by the environment movement. This is because at their core, these are policies aimed at maintaining European food production and rural employment. Their loss therefore begs a central question: do we, too, wish to support domestic food production and the communities involved in it? And if so, what do we expect in return? Or would we prefer to leave the survival of our farming and fishing businesses to the market, and seek to protect the environment simply by regulating what is left?

For green campaigners, this choice will determine our relationship with those who live and work in the countryside for a long time to come, as well as the future of our landscapes and habitats.

In the fishing industry, for example, a market-based approach could see the privatisation of fishing rights, leading ultimately to their consolidation in the hands of a very small number of vessels and owners. Such an outcome might suit some environmental groups, if it comes with relatively ambitious environmental standards. But it could also put an end to significant parts of the UK’s traditional fleet, including many of those who sailed the Thames earlier this year in the, probably mistaken, belief that Brexit offered them a chance to protect their way of life.

An alternative approach, that allocates fishing rights based on environmental, social and economic criteria, and in doing so recognises the intrinsic worth of coastal communities, is possible; but for green groups to support this will require them to reach beyond their comfort zone, becoming advocates for social values that extend beyond the environment.

There is also a choice to be made about the balance between regulation and financial support in farm policy. Wildlife would certainly benefit if some kinds of farming that are uneconomic and environmentally unsustainable came to an end. Yet taken to its extremes, an effort to remove all support payments, and to protect the environment purely through regulation, would almost certainly end in practical and moral failure. In such circumstances, the farming lobby would insist on light-touch regulation as the quid pro quo for losing financial support; whilst the exposure of the rest of the sector to the global marketplace would put an end to centuries of rural life and culture, and to much local food production too.

**Our first ‘Brexit government’ has chosen, rhetorically at least, to use this moment to address head on the toxic after-burn of globalisation**

A far happier outcome would be a continuation of some form of support payment, in exchange for the active protection of the country’s soils, water, climate and wildlife. Happier still would be a commitment to new forms of rural devolution, in which such agreements were shaped in part by local partnerships; producing a distinctively Devonian, Lancastrian or Snowdonian land management policy, based on the character of a county, river catchment or region.

Ecological localism of this kind needs big hearts as well as cool heads, but could offer huge rewards. A similar level of skill will be needed to tackle that other great post-Brexit challenge – the transition to a zero carbon energy economy, outside of the framework of the EU. Because whilst the UK’s Climate Change Act stands independent of European legislation, and the Paris Agreement provides a powerful global framework for action, the government will need to resist the temptations of a post-Brexit deregulatory fix if it wants to capture the opportunities offered by burgeoning clean technology markets.

The creation of a new department (BEIS) that integrates industrial and energy policies has real potential, but it must signal quickly that the government intends to stabilise the regulatory environment for those wishing to invest in low-carbon Britain.

Some of the right policies are already in the making, including the phase out of coal-fired power, and a commitment to leadership in offshore wind. But these must be promptly confirmed. Equally important is a clear-sighted view of where common standards are needed to foster UK industries, for example vehicle emissions, or where EU co-operation is needed to maximise efficiencies and cut costs, such as grid inter-connections with Ireland and the continent. Finally, the government will need to develop a suite of policies that can make the UK world-beaters in low-carbon manufacturing; including low carbon steel.

Felicity, these are all areas where the government’s social ambitions, boosting well paid work and tackling ingrained inequality, are well-aligned with commitments to cut pollution. They are also areas where the devolved administrations, cities and regions have vital roles to play in building out clean infrastructure, and designing industrial policies tailored to their local needs and capacities.

In the end, whatever we think about the referendum result, our first ‘Brexit government’ has chosen, rhetorically at least, to use this moment to address head on the toxic after-burn of globalisation; the corrosive inequality, the loss of a sense of control and shared identity, the lack of confidence in the future.

In response, the environmental movement must now prove that it has answers to these problems, and that it is on the side of those who have lost out. It will need to demonstrate how stable laws and good governance protect the health and well-being of citizens; but also how local partnerships with clean tech industries, farmers and fishers can grow a fairer and more balanced economy. In effect, we need a post-liberal green politics, with devolution and social justice at its core. Creating it will shape a new generation of campaigners; as well as the green and lovely land on which they stand.
THE DECISION by the British people in June 2016 to leave the European Union represents a seismic shift in British politics and for our place in the world. The consequences of the referendum will reverberate for years to come. Extricating the UK from an economic and social partnership with our nearest neighbours spanning decades will not be easy, nor will it happen overnight. The process of leaving will be complicated, sensitive and lengthy.

At this critical juncture, it is vital that Labour has a strong voice in the negotiations with our European partners. We must respect the mandate of the British people and do everything in our power to secure the best possible deal for our communities. Our approach must be well considered and mindful of the risks and uncertainties. We must hold the government to account and mitigate the economic impact on those on low and middle incomes.

This was not the conclusion that everybody in our movement drew in the aftermath of the vote. Some called for article 50 (the legal basis for leaving the EU in the Treaties) to be triggered immediately. That would have been a serious mistake given how unprepared the government is to carry out these negotiations. Some demanded that parliament should overturn the result, stressing that leave voters had buyer's remorse. But this is purely anecdotal and there is no evidence it is widespread. Others emphasised that the remain vote was the majority view in their constituencies and that only 37 per cent of Labour voters opted to leave. However, none of this provides comfort to the seven in ten Labour MPs whose constituents voted by a great margin to leave.

In common with the majority of Labour MPs and members, I am a passionate pro-European. I campaigned with my heart and soul for a remain vote because I believe that our EU membership makes us stronger, more prosperous and influential in the world. Of course, leaving the EU is a bitter pill for any progressive pro-European to swallow, not least because it is the poorest who stand to lose the most. But as progressives we have a moral duty to listen to the people, respect their decision and respond to their concerns. A failure to do so would be wrong, anti-democratic and would further corrode the trust that has been lost with many working-class voters. While the Liberal Democrats can perhaps afford to disrespect the result in a cynical attempt to re-establish themselves, we should not be so opportunistic.

So if the real challenge is to accept the mandate and to get the best deal for our communities, what should our approach be? We must start by being clear about the process.

Some politicians and commentators see this as a one-stage process: we negotiate a deal with our European partners, then we leave. If only it were that simple. In reality, there will probably be three stages.

First, triggering article 50 will start the formal two-year process of withdrawal. This shouldn’t just be a decision for the prime minister or the government. Parliament should debate and vote on when to trigger article 50. It would be logical for sovereignty obsessed Eurosceptics, who argued so forcefully for the supremacy of the UK parliament, to take the same view. But they appear to have gone quiet.

Second, there is likely to be a transitional arrangement. Some have suggested that we fall back on our European Economic Area membership. This Norway-style arrangement would, however, involve the free movement of people and would therefore be unacceptable to many who voted leave.

Third, the negotiation of a trade agreement will follow a different, complicated and more difficult decision-making procedure. If it is a wide-ranging agreement, national parliaments of the EU 27 will also have to ratify it. It is highly likely that this process will take longer than two years, even if it takes place alongside the article 50 negotiation.

The complex nature of the third stage seems to have been lost on the new international trade secretary, Liam Fox. He appeared surprised when the Americans recently told him that any deal would

PRINCIPLE TEN

**We must accept the referendum’s outcome and secure the best possible deal**

Emma Reynolds is the Labour MP for Wolverhampton North East
have to wait until our relationship with the rest of the EU was clear. When he promised that the UK would withdraw from the customs union, the prime minister overruled him, saying she had not yet decided on that vital element of our negotiations. Until there is clarity about whether we will continue to share a common external tariff with the EU, and other crucial questions, striking trade deals with other countries will be off the table.

Labour must have a strong voice at every stage of the negotiations. It shouldn’t be left to Tory ministers to set the agenda. Britain’s negotiating strategy should not be based on the tax-cutting, anti-workers’ rights approach of Conservative Eurosceptics. The concerns of working people must be put front and centre.

For Labour MPs and activists who were speaking to working class voters, the result of the referendum was not surprising. My constituents in Wolverhampton voted overwhelmingly for leave, and their principal reason was immigration. According to polling carried out by James Morris, concerns about the level of immigration are not confined to those who voted leave. Remain voters also express the same sentiment. It is a 75 per cent view, not a minority view.

For many voters, concerns about immigration were compounded by a sense that globalisation and the economy overall is not working for them. Insecurity in the workplace is rife and pay restraint in the public sector is the norm. There was a hankering to wind the clock back to the 1950s and 1960s prior to joining the European Community, and a nostalgia for an era when well-paid, secure jobs were easy to come by.

We should seek to protect all the progressive aspects of our membership, such as the legislation which protects workers’ rights and the environment. However, it is my strong view that no future deal can retain free movement of people in its present form. We must argue for restrictions while getting the best possible economic deal in the circumstances. This won’t be as good as the status quo but leave voters clearly said that their concerns about immigration trumped their worries about the economic cost of leaving.

We must continue to call on the government to pursue an active industrial strategy to boost British manufacturing firms. That means rebalancing the economy whilst supporting our service industries, including financial services and related professional services both in the capital and beyond. The government has to help create the right conditions for global firms, some of whom will be considering taking their jobs, headquarters and investment elsewhere.

The process of leaving the EU and negotiating a deal might go well beyond 2020. The Labour party must have a clear strategy to influence the entire process. Our priority must be to secure the best possible deal for the communities that we represent, and to push the government to allow MPs to scrutinise their plans at every stage to ensure that parliament is not bypassed. There should be a debate and a vote on when to trigger article 50; not to block the process of leaving the EU, but to shape the government’s position in the negotiations and to influence the final deal. More broadly, our priority should be to transform the economy into a high-skill, high-wage economy, with an active state and strong social security. This is our task and for the sake of our communities we must rise to the challenge.
We must hold leave campaigners to account for their broken promises

Despite the disappointment many of us feel after the vote to leave the European Union back in June, there is a path forward for the progressive left. We must hold the Conservative leave campaigners to account for the impossible promises they made during the referendum campaign, while pushing for a progressive Brexit deal with the EU.

First, it is important to say that our party must accept and respect the decision made by 17 million leave voters. But the form Brexit takes is up to parliament. Our party must play a full role in shaping it. And the deal that emerges must take into account the wishes of the 48 per cent as well as the 52 per cent.

Accepting the result does not mean accepting the way in which it was achieved. There is no getting away from the fact that Vote Leave ran a cynical and mendacious political campaign. It was a victory achieved on the back of myths, simple lies, and impossible promises. We must not stop calling them out for it.

So what were the Vote Leave promises made during the campaign? One everybody remembers – that exiting the European Union will mean £350 million a week extra being spent on the NHS. Many other pledges were aimed very specifically at Labour voters, such as spending more on reducing primary school class sizes, scrapping VAT on household energy bills, and increasing junior doctors’ pay. On immigration, the promise of an Australian-style points-based system was doubtless attractive. Aside from this, Boris Johnson promised 300,000 new jobs as a result of post-Brexit free trade deals. And they made reassuring noises that nothing would change in certain areas – for example, that the common travel area with the Republic of Ireland would be maintained, or that EU migrants currently resident in Britain would have the right to remain.

Apart from these promises, they furiously denied that leaving the EU, our biggest trading partner and source of inward investment, would have any negative impact on the economy. Institutions and experts that warned of lower growth, higher prices and greater unemployment were damned by the leave campaign for “scaremongering”, “talking Britain down”, and indulging in “Project Fear.” Even the widely-respected Institute for Fiscal Studies was said to be untrustworthy, as it had in the past done work for the European institutions.

In the weeks since the referendum, these promises have been shown to have been hollow. On most of them, nothing more has been heard. On £350 million a week for the NHS, leavers began backtracking on their commitment almost as soon as the result was known. It was not a promise, merely “an aspiration” Chris Grayling said the day after the referendum.

On the economy, Vote Leave’s dishonesty is plain for all to see. The value of the pound has plummeted to its lowest level since the 1980s. The Bank of England is forecasting lower growth, higher inflation, and more unemployment. Surveys of businesses and consumer confidence have fallen to levels last seen during the great recession of 2008/09. “Project Fear” is starting to look a lot like Project Fact.

The opportunity for Labour is to make clear to the British people that it is the government which is responsible for this calamity. Theresa May has said “Brexit means Brexit” and put the three Brexiteers – Boris Johnson, David Davis and Liam Fox – in charge of making it work. Andrea Leadsom and George Eustice, who promised during the campaign that the UK government would match the funding British farmers currently get from the EU, are now responsible for agriculture as ministers at DEFRA. Priti Patel, who talked of how Brexit would boost Britain’s partners in the developing world, is at International Development. A government that has created a DIY downturn, and is stuffed with people who made promises to the British people they cannot keep. That is a potent line of attack for Labour and the left.

Our focus should not be wholly negative, of course. We have a responsibility to campaign passionately for the best Brexit deal we can get; a deal that maintains as many of the advantages of our EU membership as possible. This means continued, full access to the single market; retaining vital EU legislation protecting our environment and working peoples’ rights; and close co-operation on counter-terrorism. It also means guaranteeing the right of EU residents in Britain to remain here. That the government has not definitively done so is a disgrace. People are not bargaining chips.

We must not stop from holding the government to account, and pushing our vision of a positive future relationship with Europe.
What next? Truth and myths about Britain’s institutional possibilities in the months to come

Richard Corbett is a Labour MEP for Yorkshire and the Humber

The sheer magnitude of the task ahead is only now beginning to sink in. The inventory of all the issues that need to be addressed is growing by the day. And the government must define its negotiating objective on each one of them, as must the European Union.

They range from the relatively minor, such as whether the bids by various British cities to be European capital of culture in 2023 can go ahead, to the crucial trading relationship.

Many have serious implications. One example is the European chemicals agency, which tests and authorises all new chemicals for sale in the European market. Leaving the EU would normally mean we are no longer part of it. Should we then set up a new UK chemicals agency, recruiting the necessary expertise at great expense? Or, do we not bother, and follow the European expertise without being a part of it? Or, do we seek to negotiate a special membership or associate membership of it as part of our exit deal? Will other EU countries be willing to accept that? Currently, EEA countries (Iceland, Norway and Liechtenstein) are the only non-EU members of it, and they have no vote on its board.

Similar questions abound in different fields: Europol, EU research programmes, shared projects in overseas development, the European environment agency, the (London based) European medicines agency, continued participation in the European arrest warrant, the EU “open skies” system for aviation, and its arrangements with third countries, and so on.

But the biggest question of all is whether Britain will seek to continue to be part of the single European market. If it does, it will have to follow the common rules for that market. If it leaves the single market, it will face a tariff barrier and regulatory obstacles to its main export market. This is an unpalatable choice which divides both the government and leave campaigners. Whichever way the government decides to go, there will be leave voters who are unhappy with the choice.

It should therefore be no surprise that the government is taking time to trigger article 50, the procedure to negotiate withdrawal from the EU. And it is no surprise that some are calling for a second referendum on the terms of the exit deal.

The article 50 procedure is full of pitfalls. Once triggered, it sets the clock ticking: after two years, Britain is out, if there is no agreement, a situation which would cause maximum disruption and many legal uncertainties. If agreement is reached within the deadline, it needs approval of a qualified majority of the other member states. In practice, 21 of the 27 is the figure.

The inventory of issues that need to be addressed is growing by the day

The article 50 agreement should also require the unanimous consent of every member state. In principle to a particular type of relationship will still leave much to be settled afterwards. Negotiations will be sequenced, not parallel, as some in Britain seem to think. The article 50 “divorce” could set target dates for the necessary agreements, and specify that, until then, the status quo applies. But this itself raises questions about that status quo, including what happens to budgetary contributions, voting rights, and court jurisdiction over disputes during the interim period. There will be considerable uncertainty for years to come until the details of the final arrangements are thrashed out. There will in all likelihood be a need for several different agreements, as different fields require different legal bases under the EU treaties. Some of those legal bases require unanimous approval of any agreement by all the EU member states, meaning that Britain’s preferences can be blocked by a single country.

The article 50 agreement should also settle the date of departure. A few, on both sides of the debate, want it as soon as possible. Others, in the interests of the departure being reasonably smooth, argue for as late as 2025. An intermediate possibility is 2020, which is the end of the current multiannual budget of the EU. Any date after June 2019 implies Britain will have to elect new MEPs that year, possibly just for a few months or a couple of years.

It is unclear whether the article 50 process can be revoked once it is triggered. The treaty is silent on the question. But the balance of legal opinion is that it can be, provided it is before the two-year deadline. It must also be a genuine request, and not a device to re-set the two-year countdown.

Similarly, if an article 50 agreement reached in 2019 sets a date of, say, 2022, for departure, can the UK change its mind between those two dates? There is greater legal uncertainty here, but politically it is likely that a change of mind about leaving would be accepted, whereas change of mind simply on the terms or timetable would not.

This is important in the event of a rethink by the UK. Any referendum on the outcome of the Brexit deal, and any decision to remain, should take place before the date of Britain formally leaving the EU. Afterwards, any desire to remain in the EU would have to be pursued through an application to join afresh, under entirely different procedures and facing the standard expectations of any new member state, including, in principle, acceptance of the euro. Any accession treaty, of course, requires the unanimous consent of every member state. ❖
The narrow decision by British voters to go for Brexit adds yet another complicated task to the EU’s already busy agenda. For now, the ball is in the UK’s court and it is up to the new British government to trigger the procedure for the withdrawal of a member state from the union under Article 50. Nevertheless the other 27 states need to use this time to develop a strategy for the negotiations on their future relationship with the UK.

Given the UK’s economic and geopolitical importance, as well as the close interdependence between the UK and the “EU 27”, it is in the mutual interest of both sides to carry out the negotiations in good faith and with the aim of ensuring close and lasting cooperation in as many policy areas as possible. From the EU’s as well as from a progressive perspective, however, some red lines can and must be drawn.

First, the exit from the European family must not be rewarded. The UK enjoys a very special status within the European Union. Over the four decades of its membership, the country has secured numerous opt-outs and derogations, while maintaining full involvement in the decision-making process. The UK does not have to take part in Schengen, nor in the EMU (Economic and Monetary Union). In the area of justice and home affairs, the UK was not only granted a complete opt-out, but also the possibility to opt into single measures on a case-by-case basis, truly just picking the cherries it likes. On top of that, due to the British rebate of 1984, the country saved more than 100bn euros in national contributions. The now void “new settlement for the United Kingdom within the European Union” contained additional perks, including the possibility to limit in-work benefits for EU migrants.

With this background, it’s even more of a puzzle why any member state would give up such an advantageous position. In any case, not least to avoid the UK serving as an example for other member states, any agreement on the future relationship between the EU and the UK must fall considerably short of the status the UK enjoys within the union.

Secondly, the four freedoms – the free movement of workers, goods, services and capital – are inseparable. If the UK wants to take part in the common market for goods, services and capital – which might prove essential for the City’s financial industry – it must in the same vein accept the free movement of workers. We cannot make any concessions in this regard, particularly as progressives. The common market is not an aim in itself, but should serve citizens by building more prosperous economies. That citizens must be able to move freely to the places where their workforce is needed is furthermore an economic necessity.

Thirdly, whoever is part of the common market has to respect the rules of the common market. The UK’s participation in the common market would therefore mean that it had to abide by the rules governing it, including workers’ and social rights, as well as consumer protection rules and environmental standards. The EU’s competition law would also continue to apply to companies based in the UK, and the UK would have to follow European state aid rules. The common European market exists as a level playing field for all of the companies active in it – irrespective of where they are based – and exemptions from the above-mentioned rules would give UK companies an unacceptable advantage over their continental European competitors.

Finally, there can be no special involvement of the UK in EU decision-making procedures. Out means out. While the interests of the UK should be duly considered in any EU decision affecting it, EU institutions must be able to decide freely and without interference or even the possibility of a veto from a non-member state. Whatever status the UK aims for, it is highly unlikely if not impossible that it will be more beneficial than its current position.

Red lines for Brexit negotiations with the UK

Jo Leinen is a German SPD MEP
Lessons for central Europe: We need more unity and less inequality

Tomas Prouza is a member of the Czech Social Democratic Party and the Czech Republic’s State Secretary for European Affairs

After Britain’s exit from the European Union, the challenge is now to create a more cohesive Europe. The EU must protect its citizens, and foster an internal market that works for the benefit of all its regions.

In the British referendum, formerly industrialised regions of the United Kingdom tended to vote in favour of leave. Indeed, many British citizens seemingly had the impression that the European Union was acting as a catalyst for globalisation and industrial restructuring. This restructuring has brought with it higher economic output, but has also exacerbated inequality and compromised regional cohesion within some member states. Europe should now focus on creating real and tangible assurances that together, through our knowledge, wealth, institutional capacity and innovative approaches, we can moderate the costs of globalisation, yet reap most of its benefits. We have to understand that the European social model, high regional cohesion and wage convergence, are a prerequisite for strong growth and competitiveness, not an enemy.

We tend to congratulate European countries on their relatively low levels of inequality and high social cohesion. However, this applies only if we look at the level of individual member states. Wages in the poorest states of the US are two to three times lower than in the richest. In the EU, the discrepancy is much more severe, with wages in the poorest states ten times lower than the richest. Even when you compare middle-income countries, such as the Czech Republic, with high-income ones, wages can be as much as four times lower in the former than the latter. We tend to talk about the United States as an example of a highly unequal country, yet the EU is significantly more unequal if we take it as one region. We cannot ensure a functional internal market and a currency union in the long run with such a degree of inequality. And unless this inequality decreases, people will continue to move, en masse, to richer countries, and they will continue to be seen as bringing their low wages with them. Popular discontent will grow, bringing more extremism and demagogic populism. At the same time, poorer countries will continue to suffer ‘brain drain’ and will be further distanced from their richer counterparts from the perspective of economic convergence and sustainable development.

The internal market did a tremendous job in bringing convergence during the first decade of this century. Since then, however, the central and eastern European countries have hit a ceiling in their structural development, stuck with activities with too low added value, and too low wages, to catch up with the EU average. For them, it will be difficult, if not impossible, to catch up with the older member states.

Around 6 per cent of Czech GDP is being repatriated every year as dividends from the Czech Republic to investors. It is true that the Czech Republic is one of the most foreign direct investment-intensive economies, but if the investment yields were the same as in older member states, the outflow would be only around 3 per cent of GDP. This means it is possible that as much as 3 per cent of Czech GDP is being repatriated due to our uneven position within the internal market.

Such a degree of income outflow mainly shows that wages are too low, which enables investment to bear excessive earnings. While our government is doing its best to increase wages by repeatedly increasing minimum wages as well as increasing wages in the state sector, we have to find common European tools to restart general wage convergence in order not to compromise the internal market even further. It is in the interest of all member states to work out mechanisms so that the internal market can work for the benefit of all its regions and create the widely desired level playing field. I am convinced that wage convergence is the right way forward and would solve many European problems.

Many citizens observe similar dynamics within their countries and many were doing so before the British referendum. Perpetually allowing inequality to persist or even increase is simply not a viable long-term option for European economic development. If we continue in this direction, centres will get richer and the periphery will get poorer. Indeed, this is not just a message for central Europe. It is a message for the EU as a whole.
European progressives had been reluctant to consider Britain’s exit from the EU as a possible scenario. Consequently, on the morning after the Brexit vote, European social democrats had no pre-prepared strategy to offer.

This has created an awkward situation. After a plea from the Labour party, European sister parties had refrained from taking an active part in the referendum campaign. But they cannot afford to remain silent any longer. Although the vote took place in the UK, the debate on the EU has spilled over into the other 27 member states. It has focused political attention on the question of the future of the union. EU citizens pondering the British struggle and then the outcome of the vote do expect to know what comes next, and progressives must come together to clarify their standpoint. This is vital, especially given that what happens in the EU will frame electoral battlegrounds in Germany and France in the year to come.

Our progressive discussion must focus on the strategy of the negotiations, as well as finding answers to the concerns brought to the fore in the UK’s leave vote – concerns which are shared by many citizens across Europe. The referendum debate essentially came down to four issues: immigration, the economic crisis, the rule of law, and terrorism and peace. It is a sign of the EU’s struggle that these are all linked to its core principles of solidarity, prosperity, democracy and peace. We now need to listen to the concerns raised by British citizens, and develop a modern and progressive agenda for Europe.

What makes the task particularly difficult is that a divided movement will need to come together to make some difficult decisions. How do we respond to the hostility that has entered the public discourse about Europe? Unanswered frustrations and fears about Europe have created a fertile ground for the radicalisation of attitudes. This is fueling populist and radical parties across Europe. It all makes the vision of former Norwegian prime minister Jens Stoltenberg – that the answer to radical violence can only be found in more democracy – feel some way out of reach.

It is distressing to observe the leadership battle within the Labour party, which exposes further divisions. It is unfortunate that this contest is now absorbing the attention of the left, which otherwise could be used to shape what comes after Brexit.

A positive commitment to European cooperation would be a welcome signal from the left in the UK. There is a bitter feeling among many progressives that the UK has always been a difficult partner. Because of that feeling, some are calling for article 50 to be filed as soon as possible. But there are also many who ask for caution. Southern progressive parties fear that triggering article 50 may cause the weakening of euro and hence harm their recovery, while eastern European countries fear the implications for freedom of movement and the effect on Polish, Romanian and other workers already living in the UK. Rapprochement among all those parties is therefore essential, if the UK and the Labour party are to be able to count on the European progressives in the negotiations.

Not only is the future of Britain at stake, but the future of the EU as well. It has been called weak, unable to deal with the financial crisis of 2008 and its aftermath. It has been seen as feeble in solving the refugee situation, and it has been ineffective at taming the authoritarian regimes growing at its heart in Hungary and Poland. But another way is possible – if progressive voices steer the conversation and become, once again, the protagonists of peaceful, prosperous coexistence across Europe.