

# Progressive principles for Brexit negotiations

FOREWORD BY KEIR STARMER AND THE SHADOW BREXIT TEAM

JANUARY 2017

**OPEN**  
**BRITAIN**

**FABIAN**  
**SOCIETY**

Authored by Joe Carberry, Open Britain, & Olivia Bailey, Fabian Society

This is a joint publication from the Fabian Society and Open Britain, first published in January 2017.

This paper, like all publications of the Fabian Society, represents not the collective views of the Society but only the view of the authors. This publication may not be reproduced without the express permission of the Fabian Society and Open Britain.

Fabian Society  
61 Petty France  
London  
SW1H 9EU  
[www.fabians.org.uk](http://www.fabians.org.uk)

Open Britain  
Tenter House  
45 Moorfields  
London  
EC2Y 9AE  
[www.open-britain.co.uk](http://www.open-britain.co.uk)

© The Fabian Society and Open Britain 2017

## Foreword by Keir Starmer and the Shadow Brexit Team

The Brexit negotiations will shape Britain for many years to come.

Just as our membership of the EU helped define our economy, society and place in the world for more than four decades, so the decision to leave will define us for the foreseeable future.

Ensuring we have the best possible Brexit deal will take time, effort and huge diplomatic skill. It also requires very clear objectives.

Labour accepts and respects the outcome of the referendum, but that does not mean that defining the terms upon which we leave the EU should be left in the hands of an increasingly high-handed and inscrutable government led by Theresa May.

This is not the time for progressives to leave the stage. It is time for progressives to stake out a bold and radical vision of the future that works for everyone.

As Shadow Secretary of State for Exiting the EU, I know how vital it is that Labour plays a central role in this – respecting the referendum result, holding the Government to account and arguing for a cooperative, collaborative Brexit that puts jobs, the economy and living standards first and builds a new and strong relationship with our European partners.

That means preserving our ability to trade in goods and services with a market of 500 million people; it means valuing joint scientific, educational and cultural work with our EU partners; and it means continued co-operation in fundamental areas such as the fight against organised crime and terrorism, environmental protection and corporate responsibility.

It means putting jobs and the economy first, while recognising that the way freedom of movement rules currently operate in the UK will have to be part of the Brexit negotiations. In particular, the government must ensure that a final Brexit deal enables all businesses – large and small – to have arrangements that are free of tariffs and bureaucratic impediments. If the government are able to make that very welcome assurance to Nissan, they need to do so for businesses across the UK.

But if Labour – and progressives more widely – are to win a fair hearing for our vision of the future, we must be able confidently to articulate what a progressive approach to Brexit looks like and what principles underpin it.

That is why this pamphlet from Open Britain and the Fabian Society is so timely.

The pamphlet identifies the need to retain the benefits of the single market and the customs union, to protect EU-derived rights and environmental protections, and to win consent for the terms of Brexit from Parliament and across the UK. It also rightly highlights the need for a 'new deal on free movement, while retaining the benefits of the single market'.

Crucially, the pamphlet also recognises the need for any Brexit deal to be accompanied by wide and bold domestic reform of the way our economy works – in particular to tackle economic exclusion, inequality, and the chronic skills gap that continues to hold back the British economy and British businesses.

This matters, because progressives cannot simply offer a process-driven response to Brexit. There needs to be a much bigger, more comprehensive offer that seeks to build a fairer economy, a better politics, and more empowered communities.

In setting out six principles in the hope that they will find support across the Labour Movement, Open Britain and the Fabian Society have taken a welcome and much-needed first step on the road to a progressive redefinition of our future.

Labour will be a leading voice in the debate that must now follow; the answers to the challenges ahead lie in our values of solidarity, equality and social justice, coupled with an enduring commitment to human rights and internationalism.

*Keir Starmer QC MP, Shadow Secretary of State for Exiting the European Union*

*Paul Blomfield MP, Shadow Minister for Exiting the European Union*

*Jenny Chapman MP, Shadow Minister for Exiting the European Union*

*Matt Pennycook MP, Shadow Minister for Exiting the European Union*

*Karin Smyth MP, Shadow Minister for Exiting the European Union*

*Baroness Diane Hayter, Shadow Minister for Exiting the European Union*

## PART ONE: Six principles

Progressives must accept and respect the result of the EU referendum, and come together to shape the Brexit negotiations.

That starts by learning the lessons of the referendum. Concern over immigration was a crucial factor, with public support for greater controls and better support for communities. Too many people in our country feel left behind by our economy, and 'control' is now a vital currency in our politics.

Labour must confront these issues head-on. There has to be a progressive argument for the value of migration, but also for a fairer system. There must be domestic economic reform to ensure that everyone can share in prosperity and be optimistic for their future. And power should be devolved so that everyone in our country has more control over their day-to-day lives.

Responding to the result doesn't mean abandoning progressive values. Labour must fight for a Britain that is internationalist, open and tolerant, seeking close cooperation with our European neighbours in the years ahead. No-one voted to make their families poorer, to make workplaces insecure, to make our country weaker, to put our national security at risk or to shift blame on to migrants for the failures of the state and the market. But that would be the consequence of conceding political arguments to our opponents.

In the coming months, Labour must argue for a new relationship with Europe that protects our economy and influence, while delivering greater power and prosperity for our citizens. If it is to be successful, it must unite and speak with one voice, being clear about the standards it will measure the government by after article 50 is triggered. It is in that spirit that this report suggests six progressive principles to hold the government to - aiming not to frustrate Brexit, but to shape it.

### **PRINCIPLE ONE: Retain the benefits of the Single Market and commit to a transitional arrangement**

- *Retain the benefits of the Single Market and customs union*

Full participation within the EU's single market and customs union is vital for the UK's economic health, and the wellbeing of our manufacturing and service sectors in particular. If the UK were to leave either, this should be based on clear, demonstrable evidence that the economic advantages from alternative arrangements are comparable to those we enjoy today.

- *Rule out the WTO model*

Leaving the EU without a preferential trade arrangement in place would lead to long-term economic disruption. The UK's goods exports would be subject to eye-watering tariffs, including 10 per cent on cars, and our services would lose the right of establishment in the EU, which many rely on. This would make the UK significantly poorer, which, as the government has stated, is not what people voted for. It shouldn't be entertained.

- *Commit to a transitional arrangement*

A 'cliff edge' change where the UK suddenly leaves the EU without replacement regulatory frameworks having been agreed would be hugely damaging for the UK economy. Committing to an interim, transitional arrangement until full ratification of a new trade agreement would help avoid such fallout.

## **PRINCIPLE TWO: Reform free movement while making the positive case for migration**

- *Seek a new deal on free movement, while retaining the benefits of the single market*

Recognise concerns about migration and argue for reform to free movement. The UK should have a system that is preferential to EU migrants but which offers a greater degree of control. There are a number of possible reforms that could end free movement as it currently operates while avoiding the economic threat of losing the benefits of being in the Single Market, including tying free movement to those who have a job offer and arguing for sector-specific emergency brakes that could be applied in cases of identifiable economic stress. Domestic policy should focus on investment in community cohesion, action to tackle skills gaps, and stronger action against the undercutting of British workers.

- *Aim for EU-wide reforms to free movement*

An EU-wide approach to migration reform could be the basis for a lasting settlement that could be more significant than a specific deal for the UK. This should be the starting point for the government's negotiations.

- *Reject the politics of fear and guarantee the rights of EU migrants currently in the UK*

Migrants make a valuable contribution to our economy and society as a whole, and we will always reject any form of racism, xenophobia or intolerance. Ministers should guarantee the rights of EU citizens who are currently in the UK, which would help secure a deal for UK citizens on the continent.

### **PRINCIPLE THREE: Expand the UK's role and influence on the world stage, and maintain the crime and justice cooperation that keeps Britain safe**

- *Maintain the crime and justice cooperation that keeps Britain safe*

Co-operation with Europe is essential for all aspects of UK national security. EU institutions like Europol and arrangements such as the European Arrest Warrant have proven vital in tackling pan-European crime and terrorism. The UK should seek to retain current levels of co-operation. If this path is not chosen there should be demonstrable evidence that new arrangements will not increase risk.

- *Prevent dangerous gaps in intelligence during the transition*

The principle of avoiding a 'cliff edge' departure, where the UK suddenly leaves the EU without replacement regulatory frameworks having been agreed, is just as important in crime and justice co-operation to prevent dangerous gaps in intelligence.

- *Maintain and develop the UK's role and influence on the world stage, and commit to maintain aid and defence spending*

Brexit has compounded a recent foreign policy trend of squandering Britain's influence on the world stage. To strengthen Britain's influence moving forward, it is important to prioritise repairing relationships with both the US and the EU, meeting existing commitments on aid and defence spending and committing to multilateral cooperation on shared challenges.

### **PRINCIPLE FOUR: Defend rights and protections and prevent a race to the bottom**

- *Commit to maintain all existing EU employment law, and pledge to have stronger employment protections than Europe in the future*

People didn't vote to have fewer rights at work, so all existing employment rights must be maintained. Moving forward, the government must ensure workers are protected against future challenges in the changing economy and must commit to having stronger employment law than the EU. We must not allow a race to the bottom on workers' rights.

- *Prevent a race to the bottom on consumer protections and provide certainty for consumers and businesses*

The UK must set world-leading standards for consumer rights and product safety. To provide certainty and simplicity for business, the UK should maintain existing rules and commit to exceeding EU standards and protections in the

future. The UK should also seek to maintain coordination with cross-border organisations that help to enforce these rules.

- *Signal that the UK will continue to lead on climate change*

The UK's ability to lead on climate change must not be threatened by Brexit. We must reaffirm our commitment to existing climate and renewable targets, and continue to cooperate with EU partners in climate negotiations.

- *Build on the EU's strong environmental record*

The UK has been a leader in Europe on the environment, and our strong and necessary EU environmental regulations should be transposed into law. In the future we must improve these standards rather than water them down. Environmental standards must not suffer in any scramble for new trade deals.

- *Set out the future for farming, fisheries and food*

The government should act to improve UK food security, ensuring UK-produced food is affordable, widely available, and produced in a safe and sustainable way. First, they must guarantee that there will not be tariffs on agricultural products and that leaving the customs union will not lead to new regulatory burdens. They must urgently set out their clear plans for replacement of the common agricultural and common fisheries policies in the longer term. And they must ensure that environmental protections and sustainability concerns are not dismissed as an optional extra in those plans, but are at the heart of any new system.

## **PRINCIPLE FIVE: Build a new political economy that works for everyone in our country**

- *Develop a domestic response to economic exclusion*

The UK needs a new industrial strategy to create a fairer political economy in the UK - with skills, regional growth, exports, and a real voice for workers at its heart.

- *Protect levels of EU funding*

All EU funding streams should be protected in this parliament, and the UK should ensure there is no cliff edge where funding is dramatically cut in 2020.

## **PRINCIPLE SIX: Win the consent of parliament and involve elected representatives from across the nations and regions**

- *Parliamentary consent for the government's negotiating strategy is essential*

There is a mandate for Britain's exit from the European Union, but there is no mandate for the terms of the deal. MPs should have a say in determining the government's negotiating objectives before Article 50 is triggered, should have a role in reviewing the government's progress throughout negotiations, and should be given a vote on the final deal. The act of uniting parliament behind a common set of objectives can help unite those from constituencies that voted both Leave and Remain.

- *Involve the whole country to bring us back together*
- Local and regional representatives and the devolved administrations should have a voice throughout the negotiations to ensure all communities' concerns are represented at the top table. Specific attention must be given to Northern Ireland to prevent political and economic uncertainty.

The six principles set out in part one have been endorsed by the following Labour MPs.

**Mary Creagh MP**

**Mike Gapes MP**

**Peter Kyle MP**

**Pat McFadden MP**

**Alison McGovern MP**

**Wes Streeting MP**

**Chuka Umunna MP**

**Phil Wilson MP**

Part two of this document expands on each principle, but is the work and opinions solely of the authors.

## **PART TWO: Background to the six principles**

### **PRINCIPLE ONE: Retain the benefits of the Single Market and commit to a transitional arrangement**

#### **Retain the benefits of the Single Market and customs union**

*Full participation within the EU's single market and customs union is vital for the UK's economic health and the wellbeing of our manufacturing and service sectors in particular. If the UK were to leave either this should be based on clear demonstrable evidence that the economic advantages from alternative economic arrangements are comparable to those we enjoy today.*

Having decided to leave the EU, the question we now face is what relationship our economy should have with its primary economic apparatus: the single market and the customs union.

The EU is the world's largest free trade area. As well as ensuring we have unfettered access to a market of 500 million consumers, it facilitates global trade, with more trade agreements than each of the BRIC countries or non-EU G7 nations. Almost 90 per cent of UK trade is linked to the EU<sup>1</sup>, with 44 per cent of the UK's international exports going to EU countries.<sup>2</sup> 75 per cent of UK businesses that trade goods internationally trade with the EU.<sup>3</sup> The importance of the single market is underlined by the commitments in the 2015 Conservative, Labour and Liberal Democrat manifestos to the UK remaining within it.<sup>4</sup>

The Single Market and customs union also make trade easier. The customs union eradicates customs duties at the borders between EU countries, streamlines customs checks and introduces a common commercial policy. This means all countries negotiate free trade agreements as a bloc, maximising leverage. The customs union also means that there is no hard border between the south and north of Ireland. The single market removes regulatory barriers and provides a guaranteed right to deliver services within the EU without national impediments. These arrangements allow companies to be part of integrated European supply chains and incentivises overseas businesses to

1 House of Commons Library research

2 ONS Pink Book 2015

3 HMRC

4 Conservative Party manifesto 2015, p.72; Labour Party manifesto 2015, p.77; Liberal Democrat manifesto 2015, p.33

invest in the UK as a launch pad for export to the Continent.

The single market also sets common standards for labour market rights, health and safety regulations, and consumer and environmental protections, ensuring there is no competitive advantages in adopting lower standards.

The challenge for the government is to ensure any final arrangement does not jeopardise this level of trade openness. Liam Fox has said that he wants “*at least as free a trading environment as we have today.*”<sup>5</sup> Theresa May has said that she wants to give companies “*maximum freedom to trade with and operate in the Single Market.*”<sup>6</sup> And Philip Hammond has said that people did not vote “*to become poorer.*”<sup>7</sup> These should be the baselines against which the government’s final deal is judged.

If the UK leaves the customs union and single market we could face new tariffs, which would increase costs on UK businesses that import, and therefore on consumers, and would reduce demand for UK goods. Britain could face regulatory barriers and could lose access to the EU’s free trade agreements with over 50 other countries. We can of course retain access to the single market, but this would be more restricted than it is today. Even under a comprehensive free trade agreement, total tariff elimination cannot be guaranteed, and access for service sectors would be reduced, as it is under the Swiss and Canadian agreements. We could have greater autonomy in our external trade policy, but we would have to renegotiate EU deals as weaker bilateral agreements and the benefits from new agreements would take many years to materialise, if at all. Outside the customs union, businesses would face costly bureaucracy when trading with Europe, notably ‘rules of origin’ tests, which could deter investment.

These challenges are formidable and deeply worrying. Any decision to leave the single market or customs union must therefore demonstrate, with clear economic evidence, that economic gains can be expected which would measurably outweigh the costs of leaving, which we know would be considerable. Without this, a decision to leave the single market would be putting ideology over national economic interest.

5 <http://www.bbc.co.uk/news/uk-politics-37504966>

6 <http://www.independent.co.uk/news/uk/politics/theresa-may-conference-speech-article-50-brexit-eu-a7341926.html>

7 <http://press.conservatives.com/>

## Rule out the WTO model

*Leaving the EU without a preferential trade arrangement in place would lead to long-term economic disruption. The UK's goods exports would be subject to eye-watering tariffs, including 10 per cent on cars, and our services would lose the right to establishment in the EU, which many rely on. This would make the UK significantly poorer, which, as the government has stated, is not what people voted for.*

Leaving the EU without a preferential agreement in place – the ‘WTO model’ – is the ‘purest’ form of Brexit, but is also the outcome that would do the most severe damage to the UK economy. The Treasury has suggested it would reduce GDP by 7.5 per cent after 15 years and would shrink tax receipts by £45bn per year<sup>8</sup>. The National Institute for Economic and Social Research has shown that under the WTO model real wages would be projected to fall by 4.6 per cent to 6.3 per cent<sup>9</sup>. The relationship that gives the UK the furthest distance from the single market does the most damage.

Under the WTO model, the UK would be subject to the EU's common external tariff when trading with the EU. Tariffs would be imposed on around 90 per cent of the goods the UK exports to the EU,<sup>10</sup> including 15 per cent on food, 10 per cent on cars, and 36 per cent on dairy. WTO ‘most favoured nation’ tariff rules mean that, without an FTA in place, the EU would not be able to give the UK preferential tariff rates as these would need to apply to every other WTO member. And if we unilaterally dropped tariffs on EU trade we would have to drop tariffs for all countries, with no guarantee of reciprocal action, which would be disastrous for domestic industries.

The WTO option would also mean access to the single market in services would be lost, as would the financial services “passport” which allows providers established in one member state to provide their services in all.

If the referendum result was a reaction against the inequities of the global economy, this worst-of-all-worlds outcome would undermine government ability to tackle the problems we know exist. Investment would be lower and our manufacturing base would be hit, affecting both earnings and jobs. Anyone

8 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/517415/treasury\\_analysis\\_economic\\_impact\\_of\\_eu\\_membership\\_web.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/517415/treasury_analysis_economic_impact_of_eu_membership_web.pdf)

9 <http://www.niesr.ac.uk/sites/default/files/publications/National%20Institute%20Economic%20Review-2016-Ebell-121-38.pdf>

10 House of Commons Library, ‘The economic impact of EU membership on the UK’, September 2013, <http://researchbriefings.files.parliament.uk/documents/SN06730/SN06730.pdf>

who wants to help those ‘just managing’ should rule it out.

### **Commit to a transitional arrangement**

*A ‘cliff edge’ change where the UK suddenly leaves the EU without replacement regulatory frameworks having been agreed would be hugely damaging for the UK economy. Committing to an interim, transitional arrangement until full ratification of a new trade agreement would help avoid such fallout.*

The Article 50 process is primarily designed to determine arrangements for a member state’s withdrawal, incorporating issues such as dividing up properties and pension rights, dealing with budget payments, and the rights of UK and EU citizens.<sup>11</sup>

It is uncertain whether negotiations over future UK-EU trade arrangements will take place in parallel, and the final trade deal will almost certainly require ratification in each of the 27 member states, including at Union level. Given the historically complex nature of this negotiation, this process is likely to take significantly longer than Article 50’s two-year time limit. The UK government predicted this process could take a decade.<sup>12</sup>

The challenge is to avoid a period between the completion of the Article 50 process and the ratification of a new UK-EU trade agreement where a new UK-EU regulatory framework would not be agreed, and UK businesses would be unable to operate in or trade freely in to the EU. This suggests, therefore, that a transition period to allow firms to trade as at present while enabling them to adapt to new arrangements and minimise disruption will be required. In particular, this will be important for financial services, pharmaceuticals, aerospace, auto, telecommunications, professional services and other sectors which rely on the EU’s common regulatory framework.

One option is for this transitional arrangement to be an ‘off-the-shelf’ trade model, as this would enable complex negotiations about the final trade agreement to proceed as quickly as possible. Many have proposed an ‘EEA-style’ arrangement. Such an arrangement would see the UK outside the EU’s jurisdiction on justice and home affairs measures, VAT, common agricultural policy, common fisheries policy and common foreign and security policy, but would allow the maintenance of a stable market relationship, while longer term options were negotiated.

11 <https://www.cer.org.uk/insights/theresa-may-and-her-six-pack-difficult-deals>

12 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/504216/The\\_process\\_for\\_withdrawing\\_from\\_the\\_EU\\_print\\_ready.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/504216/The_process_for_withdrawing_from_the_EU_print_ready.pdf)

## **PRINCIPLE TWO: Reform free movement while making the positive case for migration**

### **Seek a new deal on free movement and match the benefits of the Single Market**

*Recognise concerns about migration and argue for reform to free movement. The UK should have a system that is preferential to EU migrants but which offers a greater degree of control. There are a number of possible reforms that could end free movement as it currently operates while avoiding the economic threat of losing the benefits of being in the single market, including tying free movement to those who have a job offer and arguing for sector-specific emergency brakes that could be applied in cases of identifiable economic stress. Domestic policy should focus on investment in community cohesion, action to tackle skills gaps, and stronger action against the undercutting of British workers.*

In responding to the referendum result there can be no business as usual on immigration, including how the free movement of people works. We know this was one of the most important factors that drove people to vote to leave the EU, but we also know that concern about immigration isn't just restricted to leave voters. A recent, post-Brexit, NatCen poll of both leave and remain voters showed that 70 per cent of both think the UK should be able to limit the number of people from the EU who come here to live and work<sup>13</sup>.

Intolerant or unrealistic policies are only allowed to stand when there is a vacuum that is left to be filled. Instead of polarising the debate by arguing for unlimited migration at all costs, progressives should seek rational reforms to free movement, which respond to legitimate economic and social concerns that many voters have.

However, attempts to confront concerns, for example about the impact of migration on low wages in some sectors or localities, must be balanced with realism over the impact of migration controls on our access to the single market and the consequential economic costs. While there can be no return to business as usual, the government must not set out to jettison Britain's participation in the single market, with the subsequent damaging consequences this would have.

<sup>13</sup> <http://natcen.ac.uk/news-media/press-releases/2016/november/voters-want-uk-to-stay-in-the-eu-single-market-but-be-able-to-control-immigration/>

A first step should be rejecting a numbers-based approach. The government's unachievable tens-of-thousands target was corrosive to public trust and contributed to defeat in the referendum, and should be dropped. Arbitrary migration targets lead to wrong-headed policies like those unveiled at Conservative party conference.

Domestically, UK government policy should focus on investing in community cohesion and public services in areas affected by rapid change; taking action to tackle the underlying skills gaps that encourage companies to recruit from Europe; banning agencies which advertise for labour solely from overseas; and preventing the exploitation of migrant workers, which can lead to the undercutting of British workers.

On free movement, the UK should commit to a system that is preferential to EU nationals, recognising the value of labour mobility. Any moves to subject EU and non-EU nationals to an identical tiered system would lead to a damagingly restrictive UK-EU trade relationship. The system should also have the aim of protecting the sectors that rely on EU workers, including public services, and protecting opportunities for young people to study, work and travel freely across Europe.

There are a range of reform options the UK should consider proposing that could be compatible with retaining the economic benefits of the single market. Options include considering Swiss proposals to prioritise advertising vacancies to local workers, or tying free movement to those who have a job offer. This would signal a return to the principle of free movement of labour, which is in line with EU treaties. Equally, sector-specific emergency brakes applied in cases of identifiable economic stress could give the state greater control if there were negative consequences on wages or employment levels. Others have proposed allowing skilled free movement to continue, but imposing restrictions on low skilled workers - but it is important to recognise such solutions could have an impact on single market participation and access.

It will also be important to approach the issue of social security, with many people reporting resentment at the perceived unfairness of access to benefits. The government should return to the 2016 'special status' negotiation, considering an emergency brake to limit access to in-work benefits, and limits to unemployment benefits to new job-seeking EU nationals.

Despite what many say, there are precedents for the EU agreeing to tailored approaches to free movement, for example in the pre-referendum negotiations with David Cameron and in the safeguards within the EEA agreement itself.

These may not be right for the UK, but they show some reform is possible if the government gets its negotiating strategy right.

### **Aim for EU-wide reforms to free movement**

*An EU-wide approach to migration reform could be the basis for a lasting settlement that could be more significant than a specific deal for the UK. This should be the starting point for the government's negotiations.*

While the UK may end up with a bespoke solution, we should argue for EU-wide reform to free movement. The EU is less likely to allow free movement reforms for the UK alone, so this should be the UK's starting point. It is of course true that concerns about migration in the EU are primarily driven by migration from the Middle East and Africa, not free movement of people within Europe. This may, however, change over time and EU member states that have also experienced high levels of internal migration may be willing to negotiate on how the principle of free movement is applied in practice.

While member states will not want to be seen to give a preferable deal to a departing nation, they will also have an interest in quelling anti-establishment forces in their own countries, which may provide the opportunity for more of a hearing for the UK's position.

Such an approach would involve convincing continental partners that the dangers of a 'hard' Brexit are shared. It is not in the interests of other member states to lose access to our financial markets, to face economic instability, or to lose the cooperation that tackles shared challenges such as security and migration. This would also require cuter diplomacy which recognised our interdependence and dropped arrogant rhetoric around, for example, sales of Prosecco.

A more ambitious approach would be to argue for wider structural reform, for example along the lines of the 'continental partnership' model. This proposes a circle of co-operation outside the EU that would see the UK (and others who opted in) within the single market, closely tied on foreign policy, with labour mobility but not free movement as at present. The UK should make every effort to put this on the European agenda. This might take years, which would be another case for entering into a transitional arrangement while these matters were debated.

## **Reject the politics of fear and guarantee the rights of EU migrants currently in the UK**

*Migrants make a valuable contribution to our economy and society as a whole and we will always reject any form of racism, xenophobia or intolerance. Ministers should guarantee the rights of EU citizens who are currently in the UK, which would help secure a deal for UK citizens on the continent.*

Rightwing populism should be fought with positivity, evidence and rational arguments. The response to the politics of Nigel Farage and Donald Trump must not be to mimic xenophobic language which marginalises migrants, or to adopt opportunistic policy positions that fail to address the real root causes of people's concerns.

Migrants from the EU overwhelmingly work hard, help fuel growth, and make a net fiscal contribution, allowing us to invest in the public services and infrastructure we need. Labour mobility is important in a market economy and brings increased growth and opportunity at home and abroad. Specific sectors of the economy rely on European labour, such as agriculture, hospitality, construction, creative industries and the auto industry. Migrants also make an invaluable contribution to our public services, with 250,000 EU nationals working within our public realm. In or out of the EU, the UK will continue to need their contribution and talent.

Making this argument doesn't mean discounting concerns, but we must underline that migration is a feature of successful economies and must be valued. Without this argument, we fail to challenge and confront the minority who see the vote to leave the EU as an opportunity for intolerance. The reported rise in hate crime following the referendum underlines the importance of defending inclusive, open values. Whatever is said now, the leave campaign during the referendum played on people's fears in an unacceptable and shameful manner.

This should also serve as a reminder to government that dehumanising migrants to use them as political tools in negotiations has consequences for social cohesion in the UK. The diplomatic danger of indulging in divisive posturing was underlined by the international outcry against the government's swiftly abandoned policy to 'name and shame' businesses failing to employ 'enough' British workers. A statement of intent by the government to guarantee the rights of EU citizens who are currently in the UK, until the point at which the UK leaves the EU, would go a long way to correct the damage done to date and help secure a deal for UK citizens on the continent.

## **PRINCIPLE THREE: Expand the UK's role and influence on the world stage, and maintain the crime and justice cooperation that keeps Britain safe**

### **Maintain the crime and justice cooperation that keeps Britain safe**

*Co-operation with Europe is essential for all aspects of UK national security. EU institutions like Europol and arrangements such as the European Arrest Warrant have proven vital in tackling pan-European crime and terrorism. The UK should seek to retain current levels of co-operation. If this path is not chosen there should be demonstrable evidence that new arrangements will not increase risk.*

The UK currently has the right to 'opt in' to justice and home affairs policies agreed by the European Union, as well as to 'opt out' of measures adopted before the Lisbon treaty. These measures enable extradition arrangements between member states, border controls, and police and judicial co-operation. The range of measures the UK currently opts in to demonstrates their value. Recent government decisions to opt in to Europol measures to tackle online terrorism, propaganda and cybercrime, as well as the Prum convention covering fingerprint records, vehicle registration data and DNA, are all encouraging signs. Now it is vital that the government seeks maximum possible cooperation from the moment of our departure.

At the heart of the UK's security cooperation is Europol, which co-ordinates law enforcement and helps to carry out more than 18,000 cross border investigations each year. It has expertise in tackling burgeoning crimes such as cross-border drug trafficking, money laundering, fraud, cybercrime, and human trafficking, and it has been reported that security agencies in the UK use the database and the information it provides daily. Not only is Europol crucial to UK security, it has also been suggested by the head of the National Crime Agency that losing membership could affect Britain's relationships with the other 'five eyes' countries who sometimes rely on the UK to provide information from Europol<sup>14</sup>.

Europol enforces the European Arrest Warrant, which between 2010 and 2015 enabled the extradition of nearly 800 criminals to stand trial in the UK,

14 <http://www.bbc.co.uk/news/uk-37632753>

including those convicted for terrorism offences.<sup>15</sup> These extraditions take an average of just three months, while non-EU extraditions take an average of 10 months and have been known to take years.<sup>16</sup> This has been recognised by Theresa May herself, who in 2014 said that without the European Arrest Warrant, *'British criminals would be able to hop on to the Eurostar or fly to Spain, safe in the knowledge we wouldn't be able to get them back to prosecute them'*.

Past precedents show that non-EU countries are able to negotiate involvement in EU security arrangements and agencies, but with more limited participation compared to that of EU member states. This should not be good enough for the UK and, for mutual advantage, we should seek a deeper agreement than those negotiated previously. Cooperation over operational matters, allowing for the full exchange of data and direct access to databases, is essential, especially as part of the European Counter Terrorism Centre.<sup>1718</sup> And we must seek continued involvement with the European Arrest Warrant, or an advanced extradition treaty that would be stronger than those negotiated with Norway and Iceland.<sup>1920</sup>

The UK should also seek associated country status for the Schengen Information System, while agreements over the exchange of passenger name records, the exchange of financial information over terrorist suspects, and access to the European Criminal Records Information System will also be vital.

As the world gets smaller, the threats we face become more frequent and more hazardous, and nothing should be done to weaken existing security arrangements. Where the government does not deliver this, ministers should set out the alternative arrangements they will put in place and explain their impact on our institutional ability to tackle crime and terrorism in the UK. It is also worth noting that an unswerving, early commitment to such cooperation could garner diplomatic goodwill in trade negotiations, given the size and capability of the UK's security apparatus.

15 <http://www.spectator.co.uk/2016/09/the-case-that-shows-why-we-must-not-stay-in-the-european-arrest-warrant/>

16 <http://www.bloomberg.com/news/articles/2016-07-14/safer-borders-why-brexit-may-be-good-news-to-european-criminals>

17 <https://www.europol.europa.eu/content/page/external-cooperation-31>

18 <http://www.eurojust.europa.eu/about/Partners/Pages/third-states.aspx>

19 <http://eulawanalysis.blogspot.co.uk/2016/06/eu-referendum-brief-5-how-would-brexit.html>

20 <https://fullfact.org/europe/what-would-brexit-mean-criminal-justice/>

## **Prevent dangerous gaps in intelligence during the transition**

*The principle of avoiding a ‘cliff edge’ departure, where the UK suddenly leaves the EU without replacement regulatory frameworks having been agreed, is just as important in crime and justice cooperation to prevent dangerous gaps in intelligence.*

Negotiating Britain’s future crime and justice cooperation with Europe will be complex and risks leaving dangerous gaps in security provision which could be exploited.

This threat has been raised by the Director of Public Prosecutions Alison Saunders. Arguing that Britain relies on the judicial co-operation enabled by EU body Eurojust, which facilitates judicial cooperation in criminal matters, she has pointed out that it took Switzerland seven years from the start of talks to a prosecutor being put in place. If Britain leaves Eurojust without an alternative in place, we would have to fall back on Europe-wide conventions agreed in 1957 and 1959, which were rescinded by many across Europe when they signed up to the European Arrest Warrant<sup>21</sup>.

The government should seek early agreement from the EU for Britain’s continued participation in the crime and justice measures it opts in to. Where this is not possible, the government should seek to obtain early agreement for interim measures in the event the UK leaves the European Union before negotiations with member states have concluded. These should allow for smooth transition for UK security agencies that are working to keep our country safe.

## **Maintain and develop the UK’s role and influence on the world stage, and commit to maintain aid and defence spending**

*Brexit has compounded a recent foreign policy trend of squandering Britain’s influence on the world stage. To strengthen Britain’s influence moving forward, it is important to prioritise repairing relationships with both the US and the EU, meeting existing commitments on aid and defence spending and committing to multilateral cooperation on shared challenges.*

Britain’s waning influence on the world stage precedes Brexit: David Cameron was described by senior diplomatic figures as “sidelined in Syria, ineffective

21 <https://www.lawgazette.co.uk/law/dpp-warning-over-post-brexit-criminal-justice-cooperation/5058592.article>

*ineffective in Ukraine, unwilling in Europe, and inimical towards refugees”.*<sup>22</sup>

The need to reverse this is now acute.

One immediate challenge for UK foreign policy is how to retain our role as a ‘bridge’ between the US and EU, as has been our position in recent history. The election of Donald Trump, the president-elect who has warned of “the false song of globalism” and questioned multilateral institutions including NATO, coupled with Brexit, which marginalises the UK from the world’s largest trade bloc, mean the core alliances that determine our international influence are under threat.

A more isolated UK, weak in Washington and Brussels alike, could be less influential in NATO because we would be less able to influence other European member states; less influential in global trade and arguing against protectionism; less influential over global security and mass migration; and less able to protect and promote liberal politics.

The UK has a special relationship with both the US and the EU, and both relationships should be nurtured without preference. Some who advocated Brexit talk of a more ‘global’ Britain, but while our relationships with, for example, China and Commonwealth nations are essential, they cannot replace and do not have comparable depth to the security, diplomatic and economic cooperation we rely on with the US and EU.

For the US, we should show that we will seek to retain leverage with European nations by urging them to invest more in national security. The UK government should continue to meet the defence spending target of 2 per cent and encourage other European countries to increase their NATO spending, with UK-EU security cooperation as an incentive. On security, we should be an unswerving ally but also a candid friend, outlining our red lines on human rights, for example.

For the EU, we should commit to close cooperation over a values-driven foreign policy. This means cooperating with EU common defence and security policy operations that are in our mutual interest; maintaining environmental commitments; and maintaining cooperation over the refugee crisis, committing to re-home a fair share of refugees. The government must also commit to maintaining and delivering aid spending at 0.7 per cent of GNI, including substituting the portion which comes from EU funding, and committing to working with the EU in determining where to spend it. The EU is the world’s

22 <http://www.lse.ac.uk/IDEAS/publications/reports/influence.aspx>

biggest aid donor and 10 per cent of the UK's aid spending is currently directed through it: successful collaborative practices should not be sacrificed.

Such moves are, of course, signals to the UN, G7, G20, 'five eyes' and others that we intend to remain fully engaged in global affairs, beyond simply the mechanics of Brexit or a narrow, modern-day mercantilism defined by seeking new trade deals.

## **PRINCIPLE FOUR: Defend rights and protections and prevent a race to the bottom**

### **Commit to maintain all existing EU employment law, and pledge to have stronger employment protections than Europe in the future**

*People didn't vote to have fewer rights at work, so all existing employment rights must be maintained. Moving forward, the government must ensure workers are protected against future challenges in the changing economy and must commit to having stronger employment law than the EU. We must not allow a race to the bottom on workers' rights.*

The rights available to workers in the UK as a result of EU membership include annual leave, rights for agency, part-time and temporary workers, pregnancy and maternity rights, working time regulations, and equal pay and anti-discrimination rules. This not only benefits workers in the UK, but also prevents a race to the bottom across Europe on pay and conditions<sup>23</sup>.

In addition to existing employment rights, there are a number of new initiatives under discussion within the EU that would also benefit UK citizens. These include better protections for workers posted in other countries and better protections for working parents, including enhanced maternity and paternity leave.

Theresa May has pledged that "*existing workers' legal rights will continue to be guaranteed in law – and they will be guaranteed as long as [she is] prime minister.*" But it is not yet clear whether the Great Repeal Bill will incorporate all EU employment regulations, or just those implemented under the 1972 European Communities Act. There is also no certainty for employment rights in

23 Assessment of the economic and social impacts of UK's membership of the EU; TUC (internal briefing)

the longer term, with the government expected to give itself the power to repeal or revise EU-derived laws without any parliamentary scrutiny or debate.

Given that many of those most enthusiastic about Britain leaving the EU are also lifelong campaigners against workers' rights and anti-discrimination protections, we must commit to defending the spirit and letter of current protections. These bring dignity and greater opportunity to the workplace and are essential for a fair society. To ensure workers don't lose out in the future as the economy changes, and to prevent a race to the bottom, the UK government should pledge to always have stronger employment law than the EU and other EU countries.

### **Prevent a race to the bottom on consumer protections and provide certainty for consumers and businesses**

*The UK must set world-leading standards for consumer rights and product safety. To provide certainty and simplicity for business, the UK should maintain existing rules and commit to exceeding EU standards and protections in the future. The UK should also seek to maintain co-ordination with cross-border organisations that help to enforce these rules.*

Much UK consumer protection legislation is derived from the European Union. It is crucial that the UK sets world-leading standards after leaving the EU, rather than falling behind. EU protections include the prevention of misleading marketing practices, unsafe food and products, and unfair business practices.<sup>24</sup> Some EU regulation requires a full transposition by member states, but others are optional. The UK has tended only to comply with the minimum standards except in a few exceptional circumstances.<sup>25</sup> Some EU rules also apply to the UK automatically, without the need for transposition in to UK law.

As with employment rights, there is uncertainty about the future of these important consumer rights in the UK. While the 2015 Consumer Rights Act makes it harder for the government to erode these standards, and while trading with Europe in the future will require compliance with many EU-set minimum standards, there is concern from both business and consumer groups about the uncertainty that now awaits. The government should commit the UK to matching all existing EU-set consumer rights and regulations, and pledge to at least match upcoming consumer protection regulations as a baseline for the trade deals it negotiates. Not only will this be good for consumers, it will also

24 Brexit: impact across policy areas (House of Commons Library Briefing)

25 <https://blogs.citizensadvice.org.uk/blog/brexit-and-consumer-rights-what-will-life-be-like-for-consumers-after-brexit/>

provide planning certainty for business, as well as an easier path to trade with EU member states, avoiding steadily growing divergence between the UK and EU. In the future, the UK should always aim to do better than the EU, setting world-leading standards after its departure.

The government should also move to end uncertainty about enforcement of consumer rights, much of which currently takes place through cross-border organisations and cooperation. For example, the consumer protection cooperation network facilitates enforcement across member states, and the rapid alert system (RAPEX) alerts member states about dangerous products making their way to stores<sup>26</sup>. The UK must establish a new, fully resourced domestic consumer rights regulator which also retains cooperation with these organisations following Britain's departure from the EU.

### **Signal that the UK will continue to lead on climate change**

*The UK's ability to lead on climate change must not be threatened by Brexit. We must reaffirm our commitment to existing climate and renewable targets, and continue to cooperate with EU partners in climate negotiations.*

The impact of Brexit on Britain's ability to tackle climate change is unclear. While Britain remains committed to the legally binding climate targets established in the 2008 Climate Change Act, and has recently ratified the Paris agreement, some have argued that poorer security of energy supply, less investment in Britain and changes to EU energy markets could affect our ability to reduce UK-generated pollution. There may also be an impact on the future of the renewables sector<sup>27</sup>.

Brexit could also impact on Britain's ability to be a global leader against climate change. The UK currently negotiates climate change targets as part of the EU bloc, which the government has previously recognised brings more influence at a global level than member states acting alone<sup>28</sup>. The UK's influencing role is particularly important in the wake of the Paris agreement, which set an aspiration to keep global warming below 1.5 degrees but left individual

26 [http://ec.europa.eu/internal\\_market/scoreboard/performance\\_by\\_governance\\_tool/consumer\\_protection\\_cooperation\\_network/index\\_en.htm](http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/consumer_protection_cooperation_network/index_en.htm) & <https://blogs.citizensadvice.org.uk/blog/brexit-and-consumer-rights-what-will-life-be-like-for-consumers-after-brexit/2014>

27 Brexit: impact across policy areas (House of Commons Library Briefing)

28 HM Government, Review of Balance of Competences on Environment and Climate Change (February

adding up to double that.<sup>29</sup> The success of the agreement may also be threatened by the election of Donald Trump.

It is welcome news that the government has now ratified the Paris agreement. But to meet its demanding target, and to remove uncertainty about the UK's commitment to tackling climate change in the future, the government should clearly reaffirm its commitment to meeting all existing climate and renewables targets, before then stretching them to levels necessary to meet the Paris target. The UK should also seek to continue close cooperation with European partners in climate negotiations moving forward, including through the EU emissions trading system.

### **Build on the EU's strong environmental record**

*The UK has been a leader in Europe on the environment, and our strong and necessary EU environmental regulations should be transposed into UK law. In the future, we must improve these standards rather than water them down. Environmental standards must not suffer in any scramble for new trade deals.*

The UK has been a leader within the EU on the environment. The EU has agreed more than 200 environmental legal instruments, covering issues as diverse as water and air pollution, disposal of chemicals, waste treatment and the protection of species. In addition to targets and directives, the EU also distributes significant funding for green projects, as well as research and development.

The government has committed to transposing EU law into domestic law, but only where "practical" and only until they have decided whether they are necessary in the long term. This leaves significant uncertainty for environmental protections, which may fall victim to trade deals or de-prioritisation during the negotiation process. This is despite environmental protections being popular with the public, with polling showing that voters do not want to see environmental protections watered down after Brexit, and with many believing that they should be strengthened.<sup>30</sup>

We must maintain and strengthen regulations which have benefited our environment. Specifically, this means committing to regulations that ensure

29 <https://hansard.parliament.uk/Commons/2016-09-07/debates/16090723000001/ParisAgreementOnClimateChange?highlight=climate%20change%20brexit#contribution-16090725000088>

30 [https://www.foe.co.uk/resource/press\\_releases/uk-public-overwhelmingly-back-eu-rules-protect-bees-nature-yougov-survey](https://www.foe.co.uk/resource/press_releases/uk-public-overwhelmingly-back-eu-rules-protect-bees-nature-yougov-survey)

the protection of species and habitats, and the cleanliness of oceans, rivers and lakes. It means ensuring conservation areas in Britain are legally protected post-Brexit, and it means ensuring flood defences don't lose out after EU funding disappears. It also means continuing to follow the EU-wide arrangements that enable the UK to meet its carbon targets, such as the EU's product and fuel efficiency standards and the emissions trading system (ETS). In the case of the ETS, the government should agree to long-term participation now in order to give business certainty, and it should seek to negotiate a role within negotiations for the next phase of the scheme. The government should consider carefully the Environmental Audit Committee's recommendation of a new Environmental Protection Act, ensuring that current legal protections are fully transposed and that the UK has an equivalent or better level of environmental protection as the EU.<sup>31</sup>

### **Set out the future for farming, fisheries and food**

*The government should act to improve UK food security, ensuring UK-produced food is affordable, widely available and produced in a safe and sustainable way. The government should have three priorities in this area. First, it must guarantee that there will not be tariffs on agricultural products and that leaving the customs union will not lead to new regulatory burdens. It must urgently set out its clear plans for replacement of the common agricultural and common fisheries policies in the longer term. And it must ensure that environmental protections and sustainability concerns are not dismissed as an optional extra in those plans, but are at the heart of any new system.*

Brexit also has serious implications for farming and fisheries, with both the common agriculture and common fisheries policies coming to an end. At the moment, EU subsidies account for 50 to 60 per cent of farm income, and fishing receives a quarter of a billion euros from the EU which is matched by the UK government<sup>32</sup>. Brexit also brings Britain's lack of food self-sufficiency in to focus, with food prices now forecast to rise due to increased import costs.

Leaving the Single Market and customs union would risk tariffs on UK exports, with even EEA countries facing tariffs on agricultural products. Such tariffs could have a potentially devastating impact on farms, which operate under very tight margins. Leaving the customs union could also leave UK exports subject to rigorous customs checks, which would place an additional burden on food producers. The presidents of the four UK farming unions have called for

31 <http://www.publications.parliament.uk/pa/cm201617/cmselect/cmenvaud/599/59909.htm>

32 Defra, Total Income from Farming 2014 – 2nd estimate United Kingdom (26 November 2015)

*“full, unfettered access to the Single Market”<sup>33</sup>*

Farms, fisheries, and other food producers are also reliant on migrant labour from the EU. The Food and Drink Federation has said that 100,000 workers in the industry are currently EU citizens, and has warned that the industry faces a staff shortfall of 130,000 in the next 10 years even without the migration restrictions that may result from Brexit.<sup>34</sup>

The government should act to improve UK food security, ensuring UK-produced food is affordable, widely available and produced in a safe and sustainable way. The government should have three priorities in this area. First, it must guarantee that there will not be tariffs on agricultural products and that any decision to leave the customs union will not lead to new regulatory burdens. It must urgently set out its clear plans for replacement of the common agricultural and common fisheries policies in the longer term. And it must ensure that environmental protections and sustainability concerns are not dismissed as an optional extra in those plans, but are at the heart of any new system.

## **PRINCIPLE FIVE: Build a new political economy that works for everyone in our country**

### **Develop a domestic response to economic exclusion**

*The UK needs a new industrial strategy to create a fairer political economy in the UK - with skills, regional growth, exports and a real voice for workers at its heart.*

Both Brexit and the election of Donald Trump were driven in part by economic exclusion and the anti-establishment sentiment it generates. To tackle this head on, the government must not only focus on the single market and trade relationships for our future economic health, but also develop a domestic economic response appropriate to the scale of the challenge.

This starts by recognising that our current political economy is not delivering. It does not distribute growth evenly across the whole country, and has created too many economic losers. Whatever deal is struck in the negotiations, Britain’s post-Brexit economy must have both fairness and productivity at its heart,

33 <http://www.nfuonline.com/news/brexit-news/eu-referendum-news/uk-unions-and-processors-unite-on-post-brexit-trad/>

34 <http://www.telegraph.co.uk/business/2016/09/06/uks-food-and-drink-sector-warns-bright-future-will-depend-on-eu/>

which will require domestic reform.

There are a number of policy objectives that can sit at the heart of this. We need strong trade unions, strong workplace and environmental standards to prevent a race to the bottom and, most importantly, a new industrial strategy. This should run through all aspects of domestic policy, but there are four priorities that should sit at its heart: skills, regional investment, exports, and employee representation.

*Skills* -Any restriction on free movement risks creating skills gaps in sectors that rely on overseas labour, or exacerbating existing shortages. For example, 460,000 technical jobs were difficult to fill last year due to technical skills shortages, and this is even after the current ability of firms to attract labour from the EU<sup>35</sup>. To counter this, skills funding should be devolved to the local level so that apprenticeships and retraining opportunities match local economic needs. Funding should be increased, and could be part-funded by the employers' training levy.

*Regional investment* – Research has shown that the regions and nations of Britain that have received the least public spending were also the most likely to vote leave<sup>36</sup>. Many of these regions also have productivity levels comparable to poorer regions of central and eastern Europe<sup>37</sup>. To address this, the British Business Bank could be developed through the implementation of a network of regional investment banks to help ensure businesses in every region can better access the finance they need. Infrastructure spending should be focused outside of the south east of England. And local enterprise partnerships should be properly financed with greater powers.

*Boosting exports* – The government should look to aggressively increase Britain's export potential, which could raise productivity and create jobs especially in manufacturing regions such as the midlands and the north east. This could include subsidising employer's national insurance contributions for six months to pay for research into overseas markets or for a person to try to sell overseas, or the introduction of digital vouchers to translate and pay for launch websites in languages other than English. Targeted research and development support, particularly for SMEs with high growth potential, is a valid target for further government spending, especially given that the UK's R&D spend is currently the lowest in the G7.

35 <http://progressive-capitalism.net/2016/10/report-rebalancing-the-uk-economy/>

36 <http://www.fabians.org.uk/support-for-brexit-linked-to-unequal-public-spending/>

37 <http://blogs.lse.ac.uk/lsereviewofbooks/2016/08/23/book-review-the-uk-regional-national-economic-problem-geography-globalisation-and-governance-by-philip-mccann/>

*Employee representation* - A more equitable model of future growth would emphasise more ownership for employees in their firms, to prevent grossly inequitable pay awards for top executives and to give workers a greater sense of power in the workplace. Theresa May's apparent u-turn on this exposes a government strong on rhetoric but low on intent. Labour should campaign for the government to advance its plans to increase worker representation on company boards through primary legislation, as the TUC have suggested.<sup>38</sup>

### **Protect levels of EU funding**

*All EU funding streams should be protected in this parliament, and the UK should ensure there is no cliff edge where funding is dramatically cut in 2020.*

Leave campaigners promised that all EU funding streams would be honoured until 2020, even if the UK had officially withdrawn by that point. The government claim to have fulfilled this pledge, but in truth it has only guaranteed funding subject to new "arrangements for assessing whether to guarantee funding for specific structural and investment fund projects".<sup>39</sup> The large portion of farm funding and science funding appears to have been guaranteed, but there are significant funding streams that have not, including the European Regional Development Fund. It is also unclear whether funding for EU students will be maintained after Brexit, despite recent assurances for students due to start their courses next year. The government must commit to honour all EU funding streams, and must also work to avoid a cliff edge in funding in 2021.

## **PRINCIPLE SIX: Win the consent of parliament to bring leave and remain constituencies together behind a common set of objectives**

### **Parliamentary consent for the government's negotiating strategy is essential**

*There is a mandate for Britain's exit from the European Union, but there is no mandate for the terms of the deal. MPs should have a say in determining the*

38 <https://www.tuc.org.uk/economic-issues/corporate-governance/workplace-issues/all-aboard-making-worker-representation>

39 HMT, 13 August 2016, <https://www.gov.uk/government/news/chancellor-philip-hammond-guarantees-eu-funding-beyond-date-uk-leaves-the-eu>

*government's negotiating objectives before Article 50 is triggered, should have a role in reviewing the government's progress throughout negotiations, and should be given a vote on the final deal. The act of uniting parliament behind a common set of objectives can help unite those from constituencies that voted leave and those that voted remain.*

The recent high court ruling, if upheld by the supreme court, means that the government must consult parliament before triggering Article 50. The Great Repeal Bill, which will repeal the 1972 European Communities Act, will have to be passed in the Commons and Lords. But the final 'deal' the government secures for the UK to leave must be voted on in parliament – something the prime minister has yet to commit to.

The government appears determined to avoid parliamentary scrutiny, but given Brexit will have lasting implications for the UK it is vital that the UK's democratically elected representatives have a chance to shape it. Ahead of the vote on Article 50, therefore, the government must publish a negotiation plan, akin to a white paper, setting out its key objectives, and parliament must have the chance to discuss its contents and give their consent to them.

Claims that this would undermine Britain's negotiating hand or undermine the economy are misleading. In the US it is standard practice for Congress to help to define negotiating objectives and set out oversight and consultation processes for trade negotiations.<sup>40</sup> The European Parliament also set out its objectives for the free trade agreement it was negotiating with Canada, which has now been signed. If it is good enough for these economies, there is no reason why it is not also good enough for the UK.

Furthermore, the governments of the day published white papers on their negotiating priorities ahead of the Amsterdam treaty, the Nice treaty, the Constitutional treaty and the Lisbon treaty. Maastricht treaty negotiations were preceded by two whole days of debate under John Major's government, followed by a vote in the House of Commons. Theresa May has historically supported parliament having a greater role in scrutinising EU negotiations: as shadow leader of the Commons she said that it should be law that ministers' negotiating positions for EU decisions should have to gain the approval of parliament<sup>41</sup>.

Winning parliamentary consent for a negotiation strategy would not only

40 <https://ustr.gov/trade-topics/trade-promotion-authority#>

41 <http://www.independent.co.uk/news/uk/politics/theresa-may-brex-it-article-50-brussels-negotiating-strategy-brussels-a7386156.html>

give the government a stronger mandate when entering negotiations with EU member states, it would also help to heal the divisions of the referendum campaign between leave and remain MPs. Parliament should not be seen as a way to frustrate Brexit, but instead a way to make the best of it – and secure a deal that works for all of the United Kingdom, both areas that voted leave and areas that voted remain. This should also be the start of a process where parliament is regularly consulted and able to give its view on key decisions that are being made.

The prime minister has failed to guarantee that MPs will be able to vote on the final withdrawal agreement that is secured, which is essential to ensure it has democratic legitimacy by having secured democratic consent of all voters' elected representatives. This is also true of the final trade deal that is secured, which will almost certainly be years later, as discussed earlier in this publication.

### **Involve the whole country to bring us back together**

*Local and regional representatives and the devolved administrations should have a voice throughout the negotiations to ensure all communities' concerns are represented at the top table. Specific attention must be given to Northern Ireland to prevent political and economic uncertainty.*

When she became prime minister, Theresa May declared that the unity of the United Kingdom was one of her driving motives. Since then, however, she has struggled to match these words with action and the devolved administrations' reaction to their engagement with ministers has been concerning.

It is essential that the leaders of the devolved administrations, including the Mayor of London, are given full roles within the negotiations alongside ministers, and it is disappointing that this has not yet been committed to. Regions should also be given the opportunity to self-select a council leader to represent them alongside the devolved leaderships, providing a direct voice for local businesses and communities in negotiations.

It is also vital that particular attention is given to the situation in Northern Ireland, where Brexit could lead to strengthened border controls between the south and the north of Ireland, both through customs checks and migration restrictions. It is hard to see how this can be avoided if the government were to pursue a 'hard' Brexit. The government must show how it can reconcile its rhetoric on Brexit with the need to avoid political and economic uncertainty at a time when the peace process has finally taken hold.