

What next for Britain?

Speech by Keir Starmer QC MP, Chatham House 27/03/17

****CHECK AGAINST DELIVERY****

In a little over 48 hours' time, the Prime Minister will inform the European Council that the UK intends to leave the EU.

That will signal the start the most complex and important set of negotiations undertaken by any British Government since the end of WWII.

Chatham House has seen many debates over the years, but perhaps none as significant for our own country in recent history.

Since June 23 last year, the Prime Minister has made a number of decisions reflecting her interpretation of the referendum vote.

Some options - like single market membership - have been discounted.

Others - like a Comprehensive Free Trade Agreement or indeed no deal at all - have been talked up.

These are not the only options, yet, instead of welcoming scrutiny and debate, Brexiteer Ministers and their supporters have demanded obedience to their own particular version of Brexit.

Reasonable questions are dismissed as evidence of unreasonable denial.

Challenge is branded as frustrating the will of the people.

But on the eve of the triggering of Article 50, I am here today to say that I, and the Labour Party, will hold the Government to account and provide an alternative vision of our place in Europe.

June 23 last year answered one question but opened up many more – particularly about the UK's future relationship with Europe.

Indeed the terms of Article 50 itself anticipates both a departure and a future framework.

What that future framework looks like matters profoundly to our prosperity, our security and our influence as a country in the years ahead.

While Labour did not support leaving the European Union and I campaigned passionately against it, we have accepted that that choice was made and that it will now be delivered.

That is why we voted in Parliament for Article 50 to be triggered.

I believe to have done otherwise would have diverted the debate and let the Government off the hook by allowing it to continually focus on the outcome of the referendum vote rather than the proper interpretation of the mandate.

The debate this week moves on from the rhetoric of aspiration to the reality of negotiation.

In a previous time, Labour, then in Government, set out five tests around joining the euro that proved a rigorous mechanism to uphold our national interest.

Today I set out the tests against which we shall judge the deal negotiated by the British Government over the next 24 months.

At a moment of this magnitude it is essential that our response reflects core British values which we have long cherished in the Labour Party but which are rooted in everyday life of communities up and down the country.

Internationalism: reaching out to Europe and the rest of the world rather than turning inwards.

Co-operation; solidarity; and a belief that we achieve more together than we do alone.

An unflinching commitment to protect the fundamentals that make us proud to live in this country - human rights, workplace rights, our environment and the rule of law.

A belief that our economy and broader society should be based on principles of fairness, equality and social justice.

And that prosperity, power and opportunity must be shared in all regions and nations of the country.

As we exit the EU, there is no reason to abandon these core beliefs.

Indeed, these values can be the basis of a progressive and unifying response to Brexit.

One that recognises we are leaving the EU, but not leaving the family of European states; and that both sides of the referendum debate must have a stake in shaping Britain's future.

These are the values that underpin the six tests I set out today.

We need to make the case for a collaborative and co-operative future relationship with the EU.

Not a member of the EU, but a partnership alongside it.

A partnership based on shared values, common aims and mutual benefit.

That is why my first key test for the final Brexit deal is this:

Does it ensure a strong and collaborative future relationship with the EU?

This matters for the UK and it matters to the EU, who are looking to us as natural allies in light of the changed and volatile nature of global politics.

The rise of right-wing populism across parts of Europe, the resurgence of authoritarianism in Russia and nationalism in the US all threaten core progressive values – human rights, the rule of law, vital social and economic protections, and support for multilateral institutions.

As the European Commission recently warned:

‘... the return of isolationism has cast doubts over the future of international trade and multilateralism. Europe’s prosperity and ability to uphold our values on the world stage will continue to depend on its openness and strong links with its partners.’

This is a point that has been underscored in my recent visits to Brussels and in numerous meetings with Ambassadors and politicians across Europe.

Now is not the time for Britain to turn away from our closest neighbours and those who share our core values.

Now is the time to recommit to our values of internationalism, cooperation and belief in multinational solutions to complex challenges.

But there is a worrying and increasingly powerful move on the Government benches to sever our links with Europe.

This is the authentic voice of the Brexiteers.

Those who have argued for decades that exiting the EU offers a once in a generation chance for Britain to extricate herself from the entire European social and economic model:

Employment rights. Environmental protections. Fair corporate tax rates. Investment in public services such as the NHS.

Once a small minority in the Conservative Party, the Brexiteers are now in office and in power.

This ideologically driven approach to Brexit would be disastrous and divisive.

And it would stand as a road block to continued cooperation in the important fields of technology, research, medicine, security, science, arts and culture.

The Prime Minister needs to face down these Brexiteers who would distance us from Europe.

And the clearest way for her to do so would be to agree a strong and collaborative future relationship with the EU not just reflected in comprehensive trading arrangements but also reflected in fields such as science, medicine, education, technology, research, counter-terrorism and so much else.

And on the question of trade, let us be clear.

For all the talk about hypothetical trade deals in new markets, the nature and strength of any future EU-UK trade deal must be the Government's priority.

44% of UK exports go to the EU, making the EU by far the UK's largest export market.

In contrast, India accounts for 1.7% of UK exports, Australia 1.7%, Canada 1.2% and New Zealand approximately 0.2%.

Of course it is important for Britain to be a global trading nation.

But in terms of jobs and the future of our economy, the trade deal that matters most is the deal we reach with the EU.

That is why the Prime Minister's choice to give up on membership of the Single Market and the Customs Union is a significant risk.

I accept that retaining Single Market membership as a non-EU country is fraught with difficulties and that views in the Labour Party about this differ.

But differences over form should not mask the near universal consensus in the Labour Party that the key attributes of the Single Market must be retained.

These are:

- Continued tariff-free trade for UK businesses with the EU;
- No additional bureaucratic burdens or divergence from the EU market;
- Continued competitiveness for goods and services; and
- No drop in existing workplace protections

From conversations I have had with hundreds of businesses and trade union members in recent months, it is clear there is widespread consensus on this.

Whether these objectives can best be achieved through re-writing the terms of the EEA or via a bespoke trade agreement is frankly secondary to the outcome. What matters is that jobs, the economy and living standards do not suffer as a result of Brexit.

Which brings me to my second key test:

Does it deliver the “exact same benefits” as we currently have as members of the Single Market and Customs Union?

This is of course, the clear commitment that David Davis has given in the House of Commons; to deliver

“.. a comprehensive free trade agreement and a comprehensive customs agreement that will deliver the exact same benefits as we [currently] have”.

The “exact same benefits” is an exacting standard.

But it is one the Government has made.

And it is one we will hold them to.

Failure to deliver this deal will lie squarely at the Government’s door.

Yet the biggest danger currently facing British businesses, jobs and living standards is the chance of the Prime Minister exiting the EU without a deal.

This is the worst of all possible outcomes.

It is, in the words of the Director General of the CBI, a ‘recipe for chaos’. And as the Mayor of London said;

“The Prime Minister’s assertion that ‘no deal is better than a bad deal for Britain’ fundamentally underestimates the colossal damage that....it would have on Britain’s economy.”

That is why the Foreign Secretary was so very misguided when he said it would be “no problem” for the UK to exit without a deal.

It would, as David Davis confirmed just last week, mean tariffs of 30-40% on dairy and meat producers, 10% tariffs on cars and a loss of passporting rights for financial services.

The Prime Minister should end this unnecessary uncertainty now by committing to establish appropriate transitional arrangements starting on 29 March 2019 and lasting until a full and collaborative EU-UK treaty can be agreed.

Yet the Prime Minister repeatedly ducks this issue.

The most alarming passage in her Lancaster House speech was the pledge to negotiate within two years, not only the Article 50 agreement, but also a new free trade agreement and everything else required to govern future relations on security, research, migration, energy and so on.

The reality is that it will take much longer than that: if all goes well, two years could allow for the completion of the Article 50 deal and a sketch of the future EU-UK relationship with transitional arrangements.

And the right deal is better than a quick deal.

For the right deal, clear priorities matter.

For as many years as I can remember it has always been the case that the Prime Minister – of whatever party – would put national security first, and after that would always be the economy and jobs.

Immigration or wider issues – important though they unquestionably are – would never be given priority over the economy and jobs.

Yet that is precisely what this Prime Minister has done.

As I have argued before, exiting the EU will mean the entire immigration system needs to be reformed. But doing so should not be at the cost of jobs and the economy.

This brings me to my third test for the final Brexit deal:

Does it ensure the fair management of migration in the interests of the economy and communities?

Like the vast majority of the British public, I believe in a sensible, reasonable approach to immigration and our proud record of supporting refugees.

The benefits of immigration are obvious and should be celebrated.

But these are not always distributed evenly across different parts of the country, the economy or society.

That is why I believe in fair and effective management of migration.

As we leave the EU, that core belief remains.

I recognise there must be a new approach to immigration that has the consent of the British people and is managed in their interests.

We need to ensure that the costs and benefits are more fairly distributed, and are seen to be so.

The final Brexit deal must contribute to this.

But Britain cannot succeed in the 21st century if we are a closed country.

Britain succeeds when it engages with the world, rather than retreating from it.

Any approach that prioritises immigration control above all else must be resisted because it will mean a weaker economy, an impoverished society and a self-defeating isolation mentality.

The first test of this will be the agreement the Prime Minister must reach to protect the rights of EU nationals already in the UK, and UK nationals living in the EU. Those that have made the UK their home are our friends, our neighbours and our colleagues. They do not just ‘contribute’ to our society, they are our society.

The Prime Minister has repeatedly rejected efforts in the House of Commons to guarantee the rights of EU national before negotiations begin – despite the overwhelming case for doing so.

She must now deliver a reciprocal deal on EU and UK citizens at the earliest possible opportunity.

I turn now to my fourth key test for Brexit:

Does it defend rights and protections and prevent a race to the bottom?

One of the main reasons I campaigned to stay in the EU was because of the important impact the EU has had on enshrining common workplace standards and protections.

These include access to paid holiday leave, parental leave, and equal treatment rights for part-time and agency workers.

These rights didn't come from Europe alone – they were hard fought by trade unions and the labour movement.

But crucially, their application across the whole of the single market means British workers have not been in a race to the bottom with their counterparts in Europe.

Ensuring strong, fair and robust workplace rights is in Labour's DNA.

It is in our country's DNA.

Exiting the EU must not be used as a pretext for rolling back these rights or weakening hard fought protections.

The major battle over EU-derived rights – which are of course far wider than workplace rights and extend to consumer and human rights as well as environmental protections – will take place through the Great Repeal Bill.

This will be a hugely complex task.

It is highly likely that there will be attempts to use this Bill as a tool to weaken existing rights.

Already there has been talk of 'sunset clauses' being introduced that would mean EU-derived rights could lapse after 5 years.

Labour will strongly oppose this.

We will emphasise that all consumer rights and environmental protections derived from EU law should be fully protected—without qualifications, limitations or sunset clauses.

My fifth test for the final Brexit deal is:

Does it protect national security and our capacity to tackle cross-border crime?

Having worked with Theresa May when I was DPP and she was Home Secretary, I do not doubt her commitment to ensuring public safety and tackling terrorism.

Her calm, measured and authoritative response to the horrific attack on Westminster last week served to underline this.

She also recognises that the EU has been vital in helping improve cross-border efforts to prevent serious organised crime.

Indeed, Theresa May's only intervention during the referendum campaign was to say that if the UK was to leave the EU "we would not be as safe as if we Remain".

And yet, nine months on from the referendum, we have had no clarity on how the Prime Minister now plans to ensure this quite understandable concern is not realised.

For example, will Britain remain a member of Europol and Eurojust – two agencies I have worked closely with in the past and know are absolutely vital to tackling cross-border crime. If we are not to remain members, what alternative arrangements will the Prime Minister seek to put in place to ensure there is no drop in capability?

Will Britain retain the European Arrest Warrant? It was Theresa May herself who said during the campaign that:

“Outside the EU, we would have no access to the European Arrest Warrant, which has allowed us to extradite more than 5,000 people from Britain to Europe in the last five years, and bring 675 suspected or convicted wanted individuals to Britain to face justice. It has been used to get terror suspects out of the country and bring terrorists back here to face justice.”

Having worked on many cases where I saw firsthand how important the EAW was, I find it deeply worrying that the Prime Minister is yet to resolve even these most fundamental questions.

The Government White Paper says simply that:

“...we will look to negotiate the best deal we can with the EU to cooperate in the fight against crime and terrorism”

Frankly, this is nowhere near good enough. We know that crime and terrorism know no borders.

The EU also plays an important role in our wider security.

So, we should set a more exacting standard: does the final Brexit deal ensure there is no diminution in Britain’s national security or ability to tackle cross-border crime?

My sixth and final test for the Brexit deal is:

Does it deliver for all regions and nations of the UK?

The referendum campaign was very divisive. The aftermath saw a shocking rise in hate crime, violence and intolerance.

In my Bloomberg Speech in December I warned that a new fracture was developing in our politics. That the country was more divided than at any time in my life.

Responsibility lies with the Prime Minister to bring the country together, not drive to it further apart.

Yet the Prime Minister has been unable to gain the confidence of the governments of Scotland, Wales or Northern Ireland as she prepares to trigger Article 50.

The Welsh First Minister warned last week that the Prime Minister had a ‘tin ear’ on devolution and that the legitimate and pressing concerns of the Welsh Government were not being listened to.

The Prime Minister’s failure to engage with the Scottish Government or to recognise specific and particular concerns has provided an excuse for the SNP to press ahead with its divisive call for a second referendum and the break-up of Britain.

This is, I fear, becoming the defining characteristic of the way that this Prime Minister is conducting this process.

Guarded, closed, unable to build a consensus or form alliances.

Instead of being open and willing to listen to differing views on incredibly complex issues, she has retreated into Government by mantra.

‘Brexit means Brexit’,

‘No running commentary’,

‘No deal is better than a bad deal’.

Bland phrases designed to shut out dialogue.

The result has been increased dislocation between Westminster and the rest of the country – precisely at a time when we need a new settlement to unite communities across the UK.

That is why the Mayor of London was right in his recent White Paper when he called for a fundamental shift in the Government’s approach to devolution so that:

“... as powers and funding are transferred from Brussels, the government’s default position should be a presumption of devolution...unless a compelling case for yet further centralisation in Whitehall can be made”.

This would be a far more progressive, unifying vision of post-Brexit Britain.

CONCLUSION

I do not underestimate the difficulty of the task the Prime Minister is about to embark on.

On the contrary, I know this is going to be fiendishly difficult.

All of us want the best for Britain.

But the stakes are high and the Prime Minister's approach so far does not bode well.

Today I have set out the values that should drive Britain's response to Brexit.

And the tests Labour will set for the final Brexit deal.

Failure to meet those tests will affect how Labour votes in the House of Commons.

Let me be clear: Labour will not support a deal that fails to reflect core British values and the six tests I have set out today.

But I do not want to end by returning to a stale debate on process, votes and Parliament.

I want to end by making one final observation:

The referendum vote on June 23rd was, in my view, a vote on the state of the nation. And it was years in the making.

Yes, there were concerns about the functioning of the EU, its remoteness and the slow pace of reform.

But there was also a desire felt by people in many parts of the country that politics and the economy no longer worked for them or their communities.

The Brexiteers offered false hope that by voting to leave the EU all that would change.

But the truth is that Brexit cannot tackle stagnant wages, resolve a chronic skills gap, reduce unequal growth across the UK or improve underfunded public services.

Brexit cannot mend public trust in politics or build more cohesive communities.

And it cannot provide a place for Britain in a more complex and chaotic global order.

We need bold, ambitious and future-looking policies capable of meeting the concerns exposed in the vote of 23rd June last year.

We need a profound belief that politics should not be about division but about speaking to and for our nation.
