Brexit, the Single Market and a Socialist Agenda

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As a "remain" voter during 2016 I was out of step with the main thrust of the campaign, preferring the "remain, but reform" tactic to convince voters to give the EU another chance. The official line of praising the EU as the fount of all civilisation, campaigning with Tories and Lib Dems and dismissing all concerns as either mad, bad or racist landed us in the position of defeat even in areas with high Labour votes.

However, the Labour voters of old, and many new, were buoyed by the General Election manifesto and the performance of Corbyn to give us their votes and bring us within a whisker of an unlikely victory in 2017. Respect for the referendum decision was one policy that won respect but mainly Corbyn's ability to articulate concerns regarding neo-liberal economics and globalisation and the feeling of helplessness in the face of corporate power captured the imagination and opened up the opportunity for a different future.

It was a great result and a lucky one for the country as the same disillusionment was captured by Trump in the US, Le Penn in France and the AFD in Germany. Maybe if Sanders had been the candidate in the US he may have been the American Corbyn.

So far, the Party has played its hand well and , in contrast to the Tories, looks competent and, dare I say it , strong and stable in its positioning on the main issues of protecting EU citizens rights and looking at a transition period. But remaining in the European Single Market and Customs Union for a prolonged period is still a big debate and we should approach it in a cautious way, using the time to inform ourselves and listen to dissenting voices with respect. We should use the time we have wisely to look for a future strategy if we are not to end up in the electoral position of other social democratic parties across Europe.

Many conclude that the arguments are straightforward economic prosperity issues but it is useful to note that before economics declared itself a mathematical science with all its certainties, it was titled "political economy" with far more uncertainties and recognising differing routes to destinations. This debate holds both political and economic elements and we need to consider both. The normal cry of "we should do what is best for the country" and wrapping ourselves in the flag has already started but the idea that there is a universal benefit to all from any given policy is debatable and as a democratic socialist party of labour it is that that should be our priority.

Many commentators claim that we should remain as close to the EU as possible, clinging on to the Single Market as long as possible and an "associate" member of the EU club. The reasoning being that " socialism" cannot exist in one country" and I agree that it would be difficult but equally I would reply "can a socialist country exist in a neo- liberal trading bloc?" without compromising on its principles and policies. That is the question we should be considering and debating to find a way forward.

Corbyn's recent scepticism around State Aid https://www.theguardian.com/politics/2017/sep/29/corbyn-reignites-labour-debate-over-eu-rules-on-state-aid-and-socialist-manifesto has been met with a chorus of abuse rather than reasoned discussion. It is recognised now that the direction of travel of the EU is one of neo-liberal philosophy of competition, "free trade", low taxation and low public spending http://speri.dept.shef.ac.uk/2017/07/24/labours-titanic-brexit-nightmare/.

Many will blame Tony Blair for this but it is part of a global orthodoxy, led by world institutions of IMF, World Bank and WTO. Until Trump, the US has been a cheerleader and may return that way if Trump sees that the US is suitably protected. Even the Guardian article attacking Corbyn points out the direction of travel and finally admits that the proposals to liberalise rail travel by 2023 under the 4th

Rail Directive may give Labour problems with renationalisation. The article also points out the "competitiveness agenda of the EU and the insertion of competition elements in Maastrict and Lisbon Treaties have strengthened it.
Last year the same difficulties with State Aid seemed to prevent us as a party proclaiming a policy of renationalisation for the steel industry, rather opting to look for another foreign buyer.
Alongside rail, the EU has competition policies on energy and postal services. Two other sectors Labour will be looking to renationalise. Many argue that other countries find ways around the rules but you then have to ask what is the point of rules if you have to spend time finding ways to get around them. The Labour Manifesto promises may spend many years tied in court challenges and contributing "private taxation" to the profits of multi nationals.
Trade policy may also give us a problem with a Labour government. Whilst most agreements are described as "free trade" they are in effect "investor protection" agreements designed to protect companies and profits from nationalisation and regulation. In the recent CETA agreement (Comprehensive Enterprise and Trade Agreement) with Canada nationalisation is described as "appropriation" and although the disputes mechanism court proposed in TTIP (Trans Atlantic Trade and Investment Partnership) was taken out of CETA an arbitration mechanism of "experts" is proposed. These will almost certainly be recruited from the body of corporate lawyers that will have no sympathy for a socialist resolution. The EU itself did impact assessments on the benefit of free trade for ten years before ditching the results as their own assessor could only come up with an improvement of 1% on GDP https://www.amazon.co.uk/Truth-about-Trade-Impact-Liberalization/dp/1848132980/ref=sr_1_2?s=books&ie=UTF8&qid=1506786342&sr=1-2&keywords=the+truth+about+trade .
Tax and spending policy is also hostile to socialist tendencies. VAT is seen as the primary taxation and variations in rates have to be agreed among members. Although the EU claims it has no privatisation agenda the liberalisation agenda previously mentioned point to a competition agenda and low deficit spending will gradually push countries towards a policy of privatisation as they need to raise money to protect public services. This has already happened in the accession states and in countries like Greece, Portugal, Spain and Ireland where the ECB preferred to bail out the banks rather than its member states.
EU procurement rules themselves already offer a problem to Labour Councils in building up local companies and in recruiting local labour. The rules are designed to prevent corruption and to promote competition and although there are opportunities to insert labour and social conditions they appear to be little used and open to challenge.
Will there be reform from within the EU itself?
This seems highly unlikely with only two or three countries of the twenty seven with centre left governments. The re-election of Merkel with a strong right wing opposition of the AFD and the strong showing of Le Penn in France show no sign of a left wing revival and of the accession states most are in the hands of right or extreme right whilst heavily influenced by the US. Even in France the election of Macron has started with an attack on organised labour and the wish for a "flexible workforce".
Many of us will remember the demise of the radical Hollande manifesto in France, abandoned under pressure from the ECB and Merkel. Wherever left and centre left parties tie themselves to mainstream EU policies they appear to be decimated. 6% of the vote in France and 20% in Germany. Only Portugal has shown signs of resistance and then as a broad coalition. On the other hand parties allied with social movements critical of neo liberalism such as Podemos and Syriza have gained support and at last week's Labour Party Conference Naomi Klein congratulated Labour on its new recruitment and called for such an alliance to take on neo liberal economics.
These are the political issues facing us and any future relationship with the EU should give a Labour government freedom to implement its manifesto enshrined within it. Otherwise we may have to accept the demise of our recent success and see resistance pass into other hands, perhaps a revived UKIP or something even more sinsister.

Freedom of movement was also and still is an issue for many and I have written about it here http://www.independentlabour.org.uk/main/2016/07/11/brexit-do-we-need-a-new-consensus/ . Although my thinking has developed more since this article the basis premise is the same but, like Corbyn, I believe that movement will continue in a regulated manner that will be beneficial to all and on a better basis than the recent European Court judgements that weaken collective bargaining https://www.eurofound.europa.eu/observatories/eurwork/articles/unions-fear-ecj-ruling-in-laval-case-could-lead-to-social-dumping and other reports confirm this position https://www.boeckler.de/35923_60797.htm. I think we should also look to how we improve the democratic right s of EU migrant workers. 3.5 million workers with no democratic say on their employment conditions cannot be right. We should introduce voting rights in General Elections after a qualification period to cement their rights in this country without recourse to the ECJ. It may also be time to look at a formal constitution.

Alongside the politics the economics are also important. I believe the orthodoxy which has commanded economic academia and politics for the last forty years is also on trial. Questions are being asked about neo-liberalism and globalisation and its results that have never been asked before https://www.amazon.co.uk/Death-Economics-Paul-Ormerod/dp/0571171257/ref=sr_1_1?s=books&ie=UTF8&qid=1506788731&sr=1-1&keywords=the+death+of+economics and more recently https://www.amazon.co.uk/Whose-Crisis-Future-Susan-George/dp/0745651380/ref=sr_1_1?ie=UTF8&qid=1506788967&sr=8-1&keywords=whose+crisis+whose+future.

Voices like Paul Krugman in the States and Paul Mason and George Monbiot in the UK have pointed out the inequality in not only wealth, but power also, that has been produced. Even economics students have been forced to strike to broaden their education and to write books about the narrowness of the current curriculum and policy https://www.amazon.co.uk/Econocracy-Leaving-Economics-Manchester-Capitalism/dp/152611013X/ref=sr_1_2?s=books&ie=UTF8&qid=1506782749&sr=1-2&keywords=econocracy+book . As well as the crash of 2007 commentators point out the disasters of structural adjustment in Africa, the causes of the Arab Spring, Chile and Argentina and the SE Asia crisis all through following the same economic policy. All these crises add to the world migration crisis, currently dodged by the EU by blocking borders and paying Turkey 6.3 billion euros to act as a holding camp.

All the traits of these policies were earlier noted by Marx and Keynes and I believe that the burning question in economics papers is at the moment "Was Minsky Right?". http://uk.businessinsider.com/minsky-moment-debt-financial-crisis-2017-6 .

The other side of economic policy is the "free trade" agenda mentioned previously in the context of the EU but also with global significance. We are now at the stage of the "free trade" agenda of bi-lateral agreements between large trading blocs. We are at this position because of the failure to convince much of the developing world of the WTO agenda of "free trade" as they recognised that without protection their economies would be dominated by global players in a wave of neo -colonialism best described by Ha Joon Chang in his book Bad Samaritians https://www.amazon.co.uk/Bad-Samaritans-Secrets-Nations-Prosperity/dp/1905211376/ref=sr_1_1?s=books&ie=UTF8&qid=1506783706&sr=1-1&keywords=bad+samaritans .We may need to ask if we may be better off hitching our wagon to these nations and pushing for a better deal at WTO level or looking to expand our trade with them.

So the questions do not get any easier.

Do we remain closer to the EU and risk watering down our commitment to the voters?

Can we change a neo-liberal world?

Economically, the easy way as ever would be to go with the flow. Leaving the ESM could be met with global corporations pulling out of the UK but for many it is the very global corporations that are part of the economic problem and will eventually lead to another bust. Alternatively, many of these global corporations may stay as they are seeking a stable investment environment a Labour economy may offer.

Politically we could do the same and risk the demise of most other social democratic parties across Europe. We may have to sacrifice Corbyn and his radicalism to someone more amenable to corporate power and the EU economic and unification project.

However, a Labour Government has been faced with these choices before. In 1945 the Attlee Government could have made the same decision as the 1931 government and supported a 1930's style austerity. But they were brave and put in place a political consensus that lasted 35 years.

We can also make use of the new upsurge of political engagement of the Party and look for new solutions.

We need to use the time we have to debate these issues and think what a Labour Government would want from a future relationship with Europe and the world. Wherever you are in the argument it is no good trying to win the argument by foretelling doom. With the chaos of the Tories we may be taking over the negotiations sooner than we think. But lets be prepared!