## Why Keir Starmer has ruled out the UK rejoining the EU and accepted that Brexit has brought benefits



Keir Starmer is determined not to damage Labour's electoral chances with the distraction of renewed EU membership, but a Labour government would no doubt want the best possible relationship with EU Member States, writes **Derrick Wyatt**.

Sir Keir Starmer has received a lot of flak lately for ruling out the UK rejoining the EU, and for claiming that Brexit might have brought some benefits. Yet he has no real choice if Labour is to have a chance of gaining power at the next general election, probably to be held in 2024.

It is true that opinion polls suggest that more people would vote remain than leave in a

hypothetical rerun of the EU referendum. But that does not mean that a Labour policy of rejoining the EU would be a vote winner. An expressed intention of voting 'remain' in a second referendum does not, it seems, <u>automatically</u> translate in to support for rejoining the EU.

Many people in the UK sense that rejoining the EU would be a very different experience than remaining would have been. The UK's EU membership was too à la carte by far for some Member States. If Starmer's Labour started talking about rejoining the EU, European leaders would be quick to rule out the sort of special budgetary rebate the UK had received in the past. That would push domestic debate in the direction of how much more the UK would have to pay into the EU budget than last time around. This would be good ground for those supporting Brexit but unhelpful to a Labour Party urging the advantages of rejoining the EU.

A potentially more explosive budgetary issue would be the UK's share of EU debt incurred to make loans or grants to heavily indebted Member States in the aftermath of COVID-19. Italy and Spain in particular claimed that the EU's Stability and Growth Pact would have restricted further borrowing, making <u>outright grants the best solution</u>. The EU's decision to collectively incur and service debt in order to make grants and loans to already heavily indebted Member States was a remarkable exercise in solidarity that the UK would almost certainly have vetoed, had it still been an EU member. There are already calls for the recovery fund to be made permanent. This new and distinctly federal feature of EU membership would be seized upon by supporters of Brexit and cause embarrassment to Labour if it advocated rejoining the EU.

And then of course there is the euro. Even when pro-euro Labour Prime Minister Tony Blair was in office, opinion polls showed that those against the euro outnumbered those in favour by large margins. That has never changed. The UK and Denmark secured opt-outs from the euro in the Maastricht Treaty (1992), but it is close to inconceivable that a similar opt-out would be given to the UK if it rejoined the EU. The lack of an opt-out would not actually guarantee the UK would join the euro if it rejoined the EU. But the mere prospect of the UK rejoining the EU without an opt-out would be a stick for Brexit supporters to beat Labour with in coming years. Repeated Labour denials that the UK would join the euro whether it had an opt-out or not would send mixed messages to voters and provoke unhelpful interventions from across the Channel. Keir Starmer no doubt foresees all this, and is determined not to damage his party's chances at the next election with the distraction of renewed EU membership.

But even if Starmer is bound to accept Brexit, how can he – a committed remainer – accept that Brexit has brought some benefits? Does that mean he has changed his mind and believes Brexit was the right thing to do? It certainly does not. The UK's EU membership was a package deal, with opportunities that served UK interests, and restrictions that didn't. Most remainers and leavers would accept that general proposition while disagreeing about where the balance of advantage was to be found.

Brexit deprives the UK of the advantages of EU membership but leaves UK governments free to take action which continued application of EU rules would restrict. Action like giving more taxpayer support to businesses, blocking unwelcome foreign takeovers of UK companies, using public contracts to further government industrial policy, and adopting a different approach to the development of genetically modified organisms. In these and many other respects, the UK's Trade and Cooperation Agreement (TCA) with the EU offers much more room to manoeuvre than did EU membership.

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Keir Starmer believes that Brexit was a mistake. But he also believes that it is a mistake too late to fix by promising a rerun of the 2016 referendum. A Labour government would no doubt want the best possible relationship with EU Member States. But Starmer has made it clear that that relationship must be sought outside the framework of EU membership.

There might be some tweaks to the trade provisions of the TCA under a Labour government. But politics rather than economics would lead in the UK/EU relationship under Labour. It would be based on close cooperation on internal and external security, on combating climate change, and on support for the rules-based international order and multilateralism.

As well as trade provisions, the TCA sets out a broad political agenda for future relations between the UK and the EU. They will cooperate wherever possible on 'current and emerging global issues of common interest'. They aim to coordinate EU and UK positions in multilateral organisations and forums in which they both participate, such as the United Nations, the G7, the G20, the International Monetary Fund, the World Bank and the World Trade Organization. This wide-ranging pledge of global cooperation goes further than the recent strategic partnership agreements with Canada and Japan. There is a potential 'special relationship' to be had if the political winds on each side of the channel blow in the right way.

Recent initiatives taken by the Johnson government in the Ukraine crisis and war have been backed by Labour and both parties will emphasise defence and European security in years to come. A re-deepening of <u>E3 defence ties</u> (France, Germany and the UK) is likely to be sought by both. <u>An ever closer non-union</u> with Europe is a worthy ambition for any British government.

## About the Authors



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