



A European strategy for Labour

by Charles Grant, 27 September 2023

Britain needs a better deal with the EU than that negotiated by Boris Johnson's government: the economy is taking a hit, opinion polls show that most Britons want a closer relationship and the tense geopolitical situation highlights the value of greater co-operation with Europe.

In a new Centre for European Reform policy brief, 'A European strategy for Labour', Charles Grant examines how Keir Starmer's Labour Party could improve Britain's relationship with the EU. A Labour government will find that this task is not easy and that the EU is difficult to deal with. The UK is not a priority for most European leaders and there is much scepticism about Labour's willingness and ability to engineer a fundamental change in the UK-EU relationship. Many EU governments do not think Britain should be allowed to 'cherry-pick' access to parts of the single market without accepting free movement of people.

Grant argues that Starmer needs to prepare the ground for improving the Brexit deal by setting out some ideas on what he wants to achieve. He and his lieutenants should cultivate relationships with EU governments and institutions. And they should commit to adopting new EU business regulations, unless there is a good reason not to do so.

Grant then considers how Johnson's deal could be amended or extended. Labour should seek a veterinary agreement with the EU, to reduce border checks on animals, plants and food. A mobility chapter should make it easier for people to work in the EU for short periods, and revive school trips. Merging the EU and British Emissions Trading Systems would prevent the EU's new Carbon Border Adjustment Mechanism from creating problems for British exporters. A Labour government should set up a review to consider which EU agencies the UK should rejoin or link with. On foreign policy, the UK needs a formal relationship with EU institutions so that it gains the chance to influence the 27, learn what is going on and forge friendships.

None of this will do a great deal to undo the economic damage that Brexit has inflicted on the British economy. In the longer term Starmer will need to re-examine the fundamentals of Johnson's deal. But would the EU agree?

"The EU won't be in a hurry to reopen a deal that works pretty well for most of its members," warns Grant. "So a Starmer government will need to regain the trust and confidence of EU leaders. And it will need to make

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them an offer. This could include a larger contribution to European defence, greater mobility, a partnership on energy, payments into EU programmes and co-operation over the post-war rebuilding of Ukraine."

The more that a Labour government can offer, the more likely the EU is to agree to a bespoke relationship that goes further than what it has offered other neighbours. Starmer has ruled out rejoining the EU's customs union. But the single market is a much more nebulous concept and Grant suggests that the UK could seek to edge closer to it in certain sectors. Some EU officials do not rule that out, in the long term, in areas where a closer partnership is clearly in both sides' mutual interest.

Notes for editors:

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