

What I think Labour should be saying on Europe

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I have been challenged to say what I think Labour should be doing regarding the EU, given that many Lexiteers seem to think that they hold the only rational position on this issue, even if it amounts to running away.

It so happens I know Jeremy Corbyn is addressing EU socialists in December so let me suggest what I think he should be saying to them.

Corbyn should firstly recognise that he would love a general election - but that he may not get it.

In that case he should say he is committed to a second EU referendum in the UK. And he should commit Labour to fighting that referendum campaign on the basis that it wants to stay in the EU - to provide the UK with the stability that it so obviously needs - but on the basis that he will fight tooth and nail for reform of the EU, because that is what his principles demand.

That requires that Corbyn should say what he thinks is wrong with the EU, which led people in the UK to reject it. These issues are likely to include:

- * Inappropriate state aid controls that prevent the creation of stable mixed-economies, full employment and anti-recessionary measures that financial crises can require;
- * Inappropriate and unjustified budget controls which economic theory cannot support;
- * Rules that prevent direct state funding by central banks;
- * Rules that make the control of migration within the EU hard, for states suffering migratory loss and those with significant immigration, and the need to create new mechanisms to support people to stay in their places of normal residence.

Then he has to say why he wants to do this. This has to be because he wants to provide the stimulus to deliver the industrial strategy that he outlined to the Labour Party conference this autumn, and which he believes is also required across Europe, because

the evidence is very strong that these policies are much more powerful when they take place in parallel.

That strategy did of course talk about some renationalisation - which pays for itself and takes rent seeking and not competition out of markets that have failed because they have become controlled by oligopolists acting against the interests of consumers - which is the exact opposite of what the EU should stand for.

But it's also about delivering a strategy for green investment that delivers jobs in every constituency through local investment in renewable energy, insulation and local alternatives to carbon-intensive transport. These are justified by the need to meet the demand to control emissions that cause climate change.

He must then say that this cannot happen without state support. The private sector has not shown the willing to deliver and the pretence that it might should be abandoned; when markets fail the state should be allowed to deliver instead. This though requires the change in budget rules; funding rules and state aid rules.

In summary, his argument should be that we face local, national, European and international crises on climate change, meeting people's needs locally and building sustainable economies. These issues can only be managed and coordinated at international level - because that is where the impact of climate on our combined futures that should be the focus of every politician's concern is bound to be. But it also requires local management of action to deliver the appropriate solutions. That then requires a fundamental change in EU thinking so that it becomes the enabler of state-supported change that markets cannot supply but which are essential for our survival and which as a result requires a change in the rules that I have noted.

And, Corbyn should add, the multiplier effect of such change is, in any case, likely to make it self-funding over time, whilst the stimulus and political momentum it would supply should create the basis for new, sustainable, employment and the development of long-term skills in communities raving for them - and in the process build the international solidarity on common objectives that the EU should supply if it is to have political relevance for all the people in all members states, and so justify its existence as an entity that can create wellbeing over, above and beyond what any state can achieve by itself.

This, I suggest is what Corbyn should say.

I can live in hope.