

The People's Chancellor and the People's Vote

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Some time ago we wrote on the issues surrounding the issues and problems that might be encountered in the prospect of undertaking a further (“second”) referendum on the decision of the UK to leave the EU on March 29th 2019.

Since the vote of the 23rd June 2016, much has happened in terms of political developments within the UK. Notably, the Government lost its Parliamentary majority in the election of 2017 and subsequently has relied on the Democratic Unionist Party of Northern Ireland to maintain power.

However, at the same time, a growing chorus of opinion has been that of calls for another referendum, or “People’s Vote” on the decision to leave the EU. We have argued elsewhere about the practical difficulties of doing so ([see here](#)).

However, the seeming impasse over the Government’s handling of negotiations with its EU opposite numbers, so vividly displayed in EU leaders’ reaction to the Prime Minister’s “Chequers Proposals” at the recent Salzburg summit, have only further pushed the notion of another vote as the only way out.

Whilst holding a second plebiscite has long been the policy of the smaller Liberal Democrat party there has been a concerted push by members of the Official Opposition Labour Party to try and force the party leadership to adopt a similar policy on a second referendum.

Whilst Jeremy Corbyn has explicitly stated that he is “bound by the democracy of our party”^[1], it now appears that the party leadership have largely managed to steer the terms of the debate, moving away from an explicit call for a second vote. As such, the motion that Labour will vote on at their upcoming conference is:

“If we cannot get a general election, Labour must support all options remaining on the table, including campaigning for a public vote.”

As can be seen, this is relatively non-committal, first in that it explicitly prioritises the preferred Labour Party approach (at least as encapsulated by Jeremy Corbyn and John McDonnell) – namely to force the Government into an election, and thereby for each party to spell out its offerings to the electorate in terms of a Brexit “deal”. Only in the event that this cannot be achieved does the second clause become operative. Moreover, even in this case the stated policy is merely that all options should remain open. It does not commit the party to supporting a public vote, merely to not opposing one.

Finally, even if a new referendum were to be pursued after failing to secure a new election, no part of this statement commits Labour to a particular set of policy choices to be stipulated on such a vote. Shadow chancellor John McDonnell has stated that he does not believe that such a vote should include the option of remaining in the EU^[2], although other senior figures are less keen on ruling it out (notably including Keir Starmer)^[1].

At this point we thought we would take a look at what Labour's current policy is towards membership of a customs union or staying in the Single Market, and hence try to ascertain whether their approach would be more likely to deliver a "good deal" for the UK than that of Mrs. May.

Current Labour policy on Brexit, as stated in their 2017 manifesto (which still appears valid)^[3] is that: *"[w]e will scrap the Conservatives' Brexit White Paper and replace it with fresh negotiating priorities that have a strong emphasis on retaining the benefits of the Single Market and the Customs Union"*.

However, on the details, the Party's approach seems to differ little from the Government, for example, on "securing continued EU market access" for UK farmers, or that *"[a]s our trading relationship with the EU changes it is vital that we retain unrestricted access for our goods and services"*.

These all sound commensurate with continued EEA membership, although the Party's manifesto also appears to commit it to remaining outside key elements of this, stating that *"will ensure all future trade deals safeguard the right to regulate in the public interest and to protect public services"*.

The most notable policy divergence from the governing Conservative Party regarding Brexit is regarding entering a customs union with the EU, which is now official Labour Party policy. However, pronouncements from senior Labour figures have implied that Labour would only agree to a customs union with the EU if it could ensure that the UK "has a say" in the creation of future trade deals. Indeed, Corbyn has stated that:

"A new customs arrangement would depend on Britain being able to negotiate agreement of new trade deals in our national interest."

Labour would not countenance a deal that left Britain as a passive recipient of rules decided elsewhere by others. That would mean ending up as mere rule takers."^[4]

In key respects then, Labour's overall approach to Brexit shares many similarities with the Chequers Proposals slated by EU leaders, and would run into the same difficulties in trying to secure a successful withdrawal agreement from the EU.

The only difference seems to be in that having been in Opposition, should they find themselves in Government on the back of a successful election campaign, they would have strong grounds to “restart” the Article 50 negotiations clock, as Keir Starmer put it. In this, they would be likely to be granted an extension by the EU.

Labour’s stance on regulatory divergence between Northern Ireland and the rest of the UK, thereby preserving the GFA and the “all-Ireland” economy, would also be far less likely to be influenced by the DUP. It would also increase the likelihood of a referendum on North-South reunification in Ireland.

In this regard, Labour’s approach to Northern Ireland would in all likelihood guarantee a status quo ante period of continued customs union and EEA membership during a Transition period after the formal withdrawal date.

However, in terms of their overall approach to negotiating a new economic relationship with the EU, it is hard to see them securing any bespoke arrangement – and that the current “deal” scenarios of EEA membership, or a Canada-type free trade agreement – would continue to be the only ones on offer.

Unless of course, the Labour party position evolves further to not in effect leaving the EU at all – something a clear majority of its members desire.

1. BBC. *Labour conference to debate option of fresh Brexit vote*. 2018; Available from: <https://www.bbc.co.uk/news/uk-politics-45622161>.
2. Buchan, L., *Labour’s new Brexit referendum would not offer option to remain in EU, says John McDonnell*, in *The Independent*. 2018: [Online].
3. <https://labour.org.uk/manifesto/negotiating-brexit/> accessed 24th September 2018.
4. <https://labour.org.uk/press/jeremy-corbyn-full-speech-britain-brexit/> accessed 24th September 2018.