

ANOTHER EUROPE IS **POSSIBLE**

# The 'Corbyn moment' and European socialism



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**“There is a strong socialist case for staying in the European Union, just as there is also a powerful socialist case for reform and progressive change in Europe. By working together across our continent, we can develop our economies, protect social and human rights, tackle climate change and clamp down on tax dodgers. You cannot build a better world unless you engage with the world, build allies and deliver change. The EU, warts and all, has proved itself to be a crucial international framework to do that. Collective international action through the European Union is clearly going to be vital to meeting these challenges. Britain will be stronger if we co-operate with our neighbours in facing them together.”**

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**Jeremy Corbyn, at the launch of Labour’s Remain campaign, May 2016**

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## Corbyn, globalisation and Europe

Until now the arguments against Brexit have been largely 'negative'. They focus on how bad Brexit would be for Britain. We believe there is a quite different argument to make about how good a Labour government inside the European Union (EU) could be for Europe and, by extension, for addressing the problems of globalisation.

The referendum result, at least for voters in some Labour heartlands, represented a rejection of the establishment. The problem with some Remainers is that they often seem to be demanding a return to the pre-referendum status quo. If Labour wants to change the status quo for the better (and not for the worse as it will do with Brexit) then the key is tackling the problems of inequality and deprivation, which are inexorably linked to free market globalisation.

In his speeches, Jeremy Corbyn has rightly emphasised the need to tax multinational companies, to control the volatility of financial markets, address climate change and end global conflicts. At the very least these measures would require extremely close cooperation between a Labour government in Britain and the EU to implement them. But this would, in turn, require a high level of agreement amongst the EU27, which is unlikely to be forthcoming given the (rightly) bold nature of some of these proposals. A Labour government would need to directly lead a fight for these proposals across Europe. Ultimately this means building a mass movement for these goals, working with other parties and social movements to forge a new political consensus. The reception Corbyn received when he addressed the socialist group in the European Parliament underlines the possibilities for radical change in Europe. With Labour's sister parties in crisis and crying out for new ideas and direction, a Corbyn government is in a unique position – indeed it may be a once-in-a-lifetime position – to catalyse transformative change across Europe.

The EU is in a state of flux, in which its policies towards free trade, globalisation, peace-building and the environment are all being redefined. Progressive outcomes for the whole of Europe would receive a huge boost from Labour's leadership.

If the Labour party allows a damaging Tory Brexit to take place, it will lose its chance to play this transformative role for Europe and for the UK. Instead of being able to concentrate on leading reform domestically and internationally, a post-Brexit Labour government would have to use all its energy to fend off predatory action by larger economic blocs or financial markets, and unpicking trade deals with the likes of Trump that the Conservative party will have left as a poisonous legacy. The stakes really are this high.

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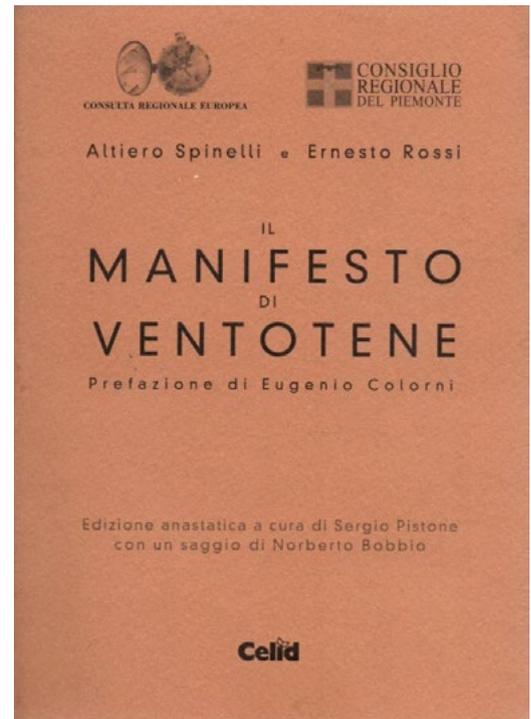
# What is the EU?

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Pro-Brexit Tories like to depict the EU as a nation-state in the making, a potential 'super state', but this just doesn't make sense of what it is today or might become in the future. But neither is the EU a typical inter-governmental organisation like the United Nations. It is a new type of political institution - an international community of states without an exact parallel so far elsewhere. It combines the principles of close cooperation on agreed objectives – on the one hand – with a limited but growing area of supra-national decision-making. In those specific areas where the EU has agreed to collectively work together there is a comprehensive level of democratic accountability, both to national member states and to a directly elected European Parliament. Because this is radically different from other international organisations, like the International Monetary Fund or World Bank, it represents a pioneering development designed to start bringing otherwise unaccountable global economic and political forces under democratic control. It is a model which is seen by many across the world as part of a shift towards global democratisation.

It was during the Second World War that members of the European resistance began to draw up plans for a united Europe so that war, fascism and imperialism could never be repeated. The Ventotene Manifesto, drafted by anti-fascist activists Altiero Spinelli, Ursula Hirschmann, Ernesto Rossi and others whilst detained by Mussolini in 1941, calls for a Movement for a Free and United Europe, in which revolutionary socialism would emancipate the working classes.<sup>1</sup> Spinelli's name is on the door of the European Parliament, and the manifesto still inspires many across the continent, even if other political forces have dominated the European institutions themselves. Early admirers and supporters of the vision of a Socialist Europe included others who had fought in the resistance, including Albert Camus, and George Orwell, who wrote in 1947, 'a Socialist United States of Europe seems to me the only worth-while political objective today' ('Towards European Unity'). This is the forgotten radical socialist heritage of the European project.<sup>2</sup>

In the first two decades after the war, the main mechanism for bringing the people of Europe together was economic and social – coal and steel infrastructure, regional funds, the common agricultural policy. A new wave of Europeanism marked the end of the Cold War, but this was also the period when neoliberalism began to supplant Keynesian economic ideas. The Maastricht Treaty of 1991 represented a compromise between the Europeanism of Jacques



**The Ventotene Manifesto, written by anti-fascist activists during the Second World War, was an early vision of a socialist Europe**

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# **The European project has no doubt contributed to free market globalisation – yet it also provides a vehicle for taming the process. European regulations have already countered many of the excesses of corporate power**

Delors, then President of the Commission, with a commitment to peace, human rights and social justice through enlargement and external assistance, and the neoliberalism of Margaret Thatcher. Neoliberalism and deregulation greatly increased the interconnectedness of economies and societies but also led to extreme inequality and precariousness. If we want to take control of international capital and redistribute wealth and income, it can only be done collectively.

The European project has no doubt contributed to free market globalisation – yet it also provides a vehicle for taming the process. European regulations have already countered many of the excesses of corporate power, but they have the potential to go much further, fundamentally rebalancing the relationship between public goods and private profits to tackle the major social, ecological and economic problems of our time.

One way to understand the EU is to see it as a new model of global governance – a regional institution able to shape the nature of globalisation by achieving on the international stage what states cannot achieve in isolation. The EU has the capacity to tax or regulate ‘global bads’ (close tax havens, regulate financial flows, control carbon emissions, for example) and to promote ‘global goods’ (overcoming inequality, bringing peace to conflict zones, constructing resource-saving infrastructure). At present, the dominant political elites in Europe espouse a neoliberal ideology, as expressed in the Greek crisis, and therefore give priority to free flows of goods

and money over welfare and the environment. The establishment of a monetary union without sufficient democratic capacity for economic governance over this varied area has created institutional pressures that compound the problems resulting from neoliberal economic thinking.

Today, there are movements and parties all over Europe that are challenging the dominance of neoliberalism. Look at the example of the government in Portugal that is pioneering an alternative to the dead end of austerity and working for Eurozone reform. Under the leadership of the Socialist Party’s António Costa, the country abandoned austerity to great economic effect, enjoying double the average growth of Eurozone countries in the first quarter of 2017. Costa’s government brought the deficit into line with Eurozone rules through increased taxation revenues, not cuts, as unemployment plummeted.<sup>3</sup>

In one EU country after another, austerity doctrines and gross social inequality are being confronted like never before. Important new strategic proposals are under discussion at the EU level, including the creation of a European Labour Authority to monitor labour market abuses and a new Pillar of Social Rights to strengthen the social dimension of the European project. A Corbyn government could act as a beacon for a radical new agenda and a strongly supportive partner for these changes. He could promote policies at a EU level that would facilitate social justice and democracy at regional local levels in all EU countries, especially the UK.

In a whole range of areas, the EU is currently debating the way forward. It is highly uncertain what future direction the Union will take, but a Jeremy Corbyn-led Labour government inside the EU could well tip the balance decisively towards progress. Among these priority issues for European reform in the next period are:

## 3.1 Taxing multinationals

The European Commission is already taking steps to tackle corporate power. They have used existing EU anti-trust rules to confront the unfair competitive practices of Google, hitting them with a €2.4bn fine for secretly privileging paid advertisers in some of their general search results. But they are also kick-starting proposals for new rules that would ensure technology companies pay taxes when they are economically active within a state - even if they don't have physical offices there.

More important still are the moves to fully harmonise corporate taxation across the EU, referred to as the Common Consolidated Corporate Tax Base, a measure the UK has always strongly opposed but which is critical to closing down tax havens. It would mean a single set of rules to calculate corporate tax in the EU – and allow states to increase their corporate tax base without the risk that a big firm would take their business elsewhere. Not only are these proposals very similar to those suggested by Corbyn's Labour, but Britain's participation in the programme would also be critical to their success, stopping the City of London becoming an offshore financial haven as the EU recognises the demands of its citizens to tackle big corporates.

# €2.4bn



**How much the EU fined Google for unfair competitive practices**

## 3.2 Regulating financial flows and controlling banks

The EU proposals on banking reform still haven't escaped the straitjackets of their post-crisis policy, proposing a new Commissioner for Finance and Economy and more coordinated support for the banking sector. A Labour government would need to fight hard on this front, reaching out to partners like the Portuguese and Greek governments and the German socialists, to push a bolder agenda. EU proposals to introduce a Financial Transaction Tax (FTT) have, however, been repeatedly obstructed by the British government, which even took a case against it to the ECJ in 2013. British support for this policy under Labour could break the logjam and open up its rapid EU-wide introduction.

This would be especially important in the context of the current uncertainty surrounding the FTT. One negative consequence of Brexit is that it has created increased scope and incentive for 'beggar-thy-neighbour' policies, risking a race to the bottom in regulation and tax as financial centres such as Paris and Frankfurt scramble to capture business from London. The Dutch government, for example, has offered tax breaks to big corporates to incentivise relocation.<sup>4</sup> Meanwhile, Macron has made proposals on the FTT that would significantly water down its impact by excluding the derivatives markets that form the bulk of financial transactions.<sup>5</sup>

In short, by removing the UK from the single market, Brexit risks unleashing this race to the bottom scenario. In contrast, a Labour government with a 'remain and reform' agenda could play an indispensable role in throwing these tendencies into reverse, pushing for a radical policy on financial regulation.

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### 3.3

## Protecting migrant workers

Much attention has been paid to free movement rules in the UK debate about immigration, but the right to free movement is still poorly understood by the British public and policy makers. Often it is confused with the system of ‘posted workers’, used by companies seeking to reduce their labour costs.<sup>6</sup> The way that the Posted Workers Directive (PWD) has been interpreted by the EU courts is very problematic – and has given a green light to what the unions call ‘country of origin exploitation’ when workers are employed according to the wages and conditions of their home country, rather than those that have been negotiated by unions in the country they are living in.

Fortunately, new changes to these rules have been adopted by the EU27 and are currently at their first reading in the EU Parliament. They include that union agreements in the host country should be respected and the application of an ‘anti-undercutting principle’: where companies are unable to deliberately employ workers from abroad on worse conditions to reduce costs. These measures – backed up by the new European Labour Authority – would go a long way to addressing the longstanding and justified concerns of trade unions over the use of the PWD to undercut wages.

### 3.4

## Digital rights

Digital rights, privacy, intellectual property on the internet and collective security online are crucial areas of political debate in the European institutions, which have emerged as leading forums in developing online governance. Where the European Commission has been strong in defending online privacy and ownership of personal data – notably against the invasive practices of Silicon Valley and some foreign governments – some of its recent proposals on intellectual property and on cyber-security and anti-terrorism risk undermining freedom of speech and other fundamental rights, and leave European citizens at risk of their privacy being infringed by their governments. The President of the European Commission has announced this area as a priority for the Union in the coming years, and the cross-border nature of the internet makes it a prime domain for European legislation.

The UK Labour Party has been contributing to the worldwide debate on digital democracy, notably with its Digital Democracy Manifesto. In the European context it can find allies in promoting personal freedom and privacy amongst not only other social democratic parties, but the Green parties, Pirate parties and Liberals, as well as the huge number of citizens’ movements and associations active in this area. The anti-ACTA protests (against the anti-piracy treaty with the US in 2012) were some of the largest in recent European history, and led to the EU blocking an agreement that had already been signed by most EU governments, including the UK: the success of such protests shows that the European institutions can be important defenders of citizens’ rights when grassroots organising crosses borders and transnational movements influence political decision makers. These protests caused a paradigm shift in the way the EU seeks to protect digital rights, now put at risk again by over-reaching anti-terrorist legislation and dubious definitions of ‘fake news’.

**Climate change crosses borders. The EU provides a vital set of powerful institutions to achieve the political change necessary to save the planet**

## 3.5

### Climate change

The EU has been looking to take a global lead in advancing the Paris climate change agreement objectives at a time when the United States of America has been pulling back. The ‘Clean Energy Package for All Europeans’ and the ‘EU Roadmap for 100% emission cuts by mid-century’ show that there is momentum in the European Commission for keeping climate change under 2°C. Together these initiatives would require a massive transformation of Europe’s economy, affecting almost every sector and opening up significant possibilities for green innovation and investment as well as democratisation of the energy, transport, waste and agriculture sectors. These initiatives are closely related to the EU’s policies of green and sustainable development, and its ambition “to end poverty and give the world a sustainable future”.

In order for these ambitious programmes to be firstly adopted by the EU as a whole and then to be respected by member states, progressive parties and movements across the continent will need to fight for them. For the economic opportunities of green investment to benefit the disadvantaged in society, and for ecological conversion to open up democratic reform at local, regional and European scales, will require progressive leadership. For the EU’s sustainable development goals to be met in its external and trade policies will require progressive governments inside the EU to overcome the big business lobbies, short-sightedness and national chauvinism that too often hijack good intentions.

The Labour party has committed in its 2017 election manifesto to Britain being a leader in fighting climate change. However good an example Britain could set outside of the EU, leading the sustainable ecological conversion inside the Union’s structures would have massively more impact – and could be combined with the Labour Party taking a leading role amongst Europe’s progressive parties. Climate change crosses borders, and must be addressed multilaterally. The EU provides a vital set of powerful institutions to achieve the political change necessary to save the planet and promote social justice simultaneously.

## 3.6

# Addressing global conflicts

Jeremy Corbyn correctly emphasises that the main security challenge is not a traditional military threat but conflicts in places like Syria or Libya, which directly affect us as a consequence, involving forced displacement, the nurturing of extremist ideologies, as well the spread of transnational organised crime. The wars in places like Iraq, Afghanistan, Syria and Libya have provided a favourable environment for those engaged in terrorism. They have also facilitated various forms of transnational smuggling in drugs or antiquities or people; housing in London, for example, has become an increasingly favoured method of money laundering for Russian criminals and Syrian warlords and this is part of the explanation for such high prices.

The European Security and Defence Policy (now the Common Security and Defence Policy, CSDP) was initiated in 1999 during the Kosovo war when European states realised they lacked the tools for humanitarian crises and were over-reliant on American airpower, with rather negative consequences. It was confined to the so-called St Petersburg tasks – humanitarian and rescue, peacekeeping and crisis management – as opposed to classic territorial defence, which was seen as the preserve of NATO and of individual nation-states.

Under Javier Solana, the first High Representative for Common Foreign and Security Policy, the EU began to develop a unique civil-military capacity aimed at addressing humanitarian crises and reconstructing the rule of law. The EU has conducted some 35 external missions, most of which have been civilian. Where the military have been used, it has been for policing purposes, to protect people during massacres as in Operation Artemis in Eastern DRC, or to halt piracy as in EUNAVFOR. In addition, the EU is the largest aid donor in the world even without including the aid budgets of individual member states and has an array of instruments – association agreements, political dialogue, trade and investment, support for civil society – that form an integral part of an overall external security policy. The Palestinian Authority, for example, is funded by the EU.

In June 2016, one day after the UK referendum, Federica Mogherini, the current High Representative and Vice President of the Commission presented the new Global Strategy to the European Council and it



### The EU is the world's largest aid donor

was approved in December 2016.<sup>7</sup> The section on addressing conflicts is based on the notion of human security – where the goal of policy should be the security and wellbeing of individual human beings and the communities in which they live. This prioritises development aid and building civilian capacity over investment in military hardware. The willingness of the EU to coordinate this policy more actively has been assisted by Brexit, due to the UK government's traditional prioritisation of NATO and its 'special relationship' with America.

Of course, the effectiveness of the policy should not be over-played. While the EU is building the tools to address contemporary conflicts, it lacks a coherent politics towards them. There are also tensions over the future of the defence sector and the interests of the defence industry. Politically, member states are divided between the idea of a European fortress state, their former imperial legacies, and loyalty to the Atlantic alliance, as well as the conception of a European polity whose security depends on the extension of peace and human rights overseas. This would require a humanitarian crisis capability of the type envisaged by the CSDP.

In this context, where the policy is still being developed in practice, a Corbyn government committed to a peaceful conception of Europe's role could make an important difference.



## 3.7 Open Europe

The refugee crisis in the Mediterranean has become a totemic symbol of the failure of the EU to establish an ‘open Europe’: a society open to global flows of information, people and commodities, committed to human rights and social protection. Reforms to end the chaos are eminently practical and easily deliverable in policy terms, but they also face huge political obstacles that have hitherto proved overwhelming. This has had deadly consequences for the people forced to take illegal routes into the EU and has predictably failed to end the chaotic scenes in the Mediterranean.

At the centre of the migrant crisis lies the treatment of it as a security problem and not a humanitarian one. The securitisation of the issue arises from a failure to create safe and legal routes for refugees seeking entry into Europe. It has led the EU into a damaging international agreement with the authoritarian regime in Turkey to oversee the illegal forced repatriation of refugees from Greece. This has, in turn, predictably shifted the focus of the main route back to the more hazardous Libya-Italy crossing. To a large degree, these policies reflect the will of EU member states that have assumed the central role for the management of the crisis, with the disastrous outcomes illustrating the difficulty of coming to a collective position on a European level. Germany has been one of a handful of relatively welcoming states, but was also the foremost architect of the agreement with Erdogan’s Turkey. Meanwhile, the total refusal of the nationalist regimes in Hungary, Poland and the Czech Republic to take in a single refugee has rightly been condemned by the Commission.

The British government has not adopted the exact same posture as these three states. But not only have their own resettlement efforts been pitiful, the Tories have also led the way in promoting many of

the discourses that stand in the way of an effective humanitarian response: the focus on ending so-called ‘pull factors’ regardless of the seriousness of the ‘push’ ones; pouring resources into stopping the ‘people smugglers’ without a willingness to open the legal routes that would put them out of business; and the infamous ‘hostile environment’ measures targeting refugees and migrants upon their arrival in the host country. A Jeremy Corbyn-led Labour government would radically reorient British policy and, in doing so, play a leading role in giving confidence to other states that a progressive and humanitarian response need not end in political calamity.

While Britain could – and should – commit unilaterally to a radically increased settlement programme, this would be much stronger as part of a coordinated pan-European response. A sustainable programme of resettlement for 300,000 to 500,000 refugees per year would cost around €30 billion a year.<sup>8</sup> This is easily within the EU’s financial capacity, amounting to just 0.25% of EU GDP and not significantly more than the €17 billion already devoted to the security-focused response. Rather than seeking to impose quotas, this funding could include a mechanism of financial incentives for less economically affluent states and regions willing to take in more refugees. Not only are these policies affordable and humanitarian, they would help European states address employment and skills shortages, and respond to the demographic challenges created by an ageing population. These measures would also need to be combined with lifting the system of fines imposed on passenger carriers that take undocumented migrants. And most of all they would require a willingness to change the ‘political conversation’ in Europe about refugees and migrants, recognising the positive economic and cultural contribution they make to host countries.

## 3.8

### State aid

Jeremy Corbyn has frequently expressed the concern that EU state aid rules prevent member states from proactively providing economic support to industry, particularly struggling sectors. These concerns are not entirely unjustified, but the reality is more complex and altogether more open to progressive intervention.<sup>9</sup> For example, state aid rules have recently been used to force Apple to pay €13bn in avoided tax in Ireland<sup>10</sup> – a move Corbyn would naturally support. An analysis undertaken of Labour’s 2017 manifesto also found it could be implemented in its entirety without any impediments caused by the UK’s EU membership.<sup>11</sup>

The EU does not automatically rule out the use of state aid and recognises it can be a useful policy tool. Its ‘State Aid Scoreboard’ shows that the UK spends less on state aid than many other EU states at just 0.36% of GDP in 2017 – significantly below

the German level of 1.31%.<sup>12</sup> The World Trade Organisation (WTO) also has rules regarding state aid that the UK would still be bound by if it left the EU. However, these rules are less stringent and the WTO does not have a system for directly monitoring and approving state support to industry by its members.

EU policy could be usefully reformed to make providing quality jobs and sustainable growth a central goal of the rules. However, it is not true that the system as it exists is always an obstacle to providing state support to sectors facing adverse economic conditions. For example, the European Commission authorised the rescue of the private railway operator BDZ EAD in Bulgaria when it was facing difficulties.<sup>13</sup> Neither do EU rules prevent the nationalisation of the railways or public ownership more broadly. The UK government, for example, nationalised Railtrack, established a Green Investment Bank and NEST, the publicly owned pension provider – all within current EU rules.

On the railways, the separation of the ‘infrastructure manager’ (e.g. track maintenance) from the ‘service provider’ (e.g. the train operator) has been a feature of EU policy for many years.<sup>14</sup> There are, however, different models of how this works in practice. In Germany, for example, there is still one integrated publicly owned railway with separate legal identities for the train operator and the track provider. In any case, the model of public ownership Labour has proposed does not look like a return to the ‘single monopoly’ of old British Rail. Instead they advocate a plurality of public ownership types within a carefully regulated system.<sup>15</sup> Not only would this be compatible with existing EU rules, it is also a sign of how Labour do not intend to return to the top-down and nationally-rooted socialisms of the last century. Their aim is something new and more innovative.

# 1.31%



**How much of its GDP Germany spent on state aid in 2017 – without breaking any EU rule**

## 3.9 Reforming the Eurozone

Fixing the Eurozone is critical to the future of Europe. Britain has a clear interest in European institutions working on a path of sustainable, investment-led growth and breaking free from the austerity straitjacket. Thankfully there are some signs of change in Europe. Macron has spoken of the need for a common EU budget for the Eurozone countries, greater debt relief for the countries of the periphery that have experienced debt crisis, and more focus on solidarity between states, rather than fiscal retrenchment. Labour's sister party in Germany, the SPD, has also discussed the need for progressive reform of the Eurozone area with more focus on the 'sharing of risk' over austerity.

In Portugal, the left government has pioneered an investment-led alternative to austerity and experienced strong economic performance – confirming the pattern that those states that have gone furthest along the path of austerity have performed the weakest since the crisis of 2008. But despite these initiatives, it is still highly uncertain whether Eurozone reform will be genuinely progressive or reinforce a fiscal cage: for each proposal in favour of more solidarity, there is a proposal coming from the right in favour of austerity.

Measures to answer the immediate needs of the Eurozone to replace austerity with solidarity are easily within the grasp of policy-makers if the political will is there.<sup>16</sup> First, the EU needs to radically revise the terms of the Stability and Growth Pact, doing away with the dogmatic and destructive commitment to maintain deficits within 3 per cent of GDP and establishing a system whereby countries running current account surpluses commit to raising wages and increasing spending, thus ensuring that prices will rise faster than in those countries with current account deficits. Second, as part of this move away from austerity towards investment-led growth, they should establish an EU-wide solidarity fund to ensure the benefits of growth are shared across the currency area. Third, they should end the system whereby countries must borrow in a currency that they do not control by introducing Eurobonds that are the liability of the whole Eurozone.

Fourth, the EU should be prepared to mobilise funds itself for transnational investment projects through the European Investment Bank, issuing

**With the UK having to a large degree 'invented' the failed neoliberal economic model, a radical break from this agenda in the UK would represent a major blow to austerity's few remaining European supporters**

investment bonds and establishing a common treasury. Fifth, upward wage convergence across Europe must be established as a fundamental principle of policy and key goal of the new commissioner for labour. And, sixth, national governments should be encouraged to develop their own investment-led strategies for sustainable growth, as part of a common EU-wide approach to nature and develop innovation – not inhibited from doing so.<sup>17</sup>

Without entering the Eurozone, a Labour government could give its whole-hearted backing to these policies. Putting Europe on a path to sustainable growth is essential to the British economy and for Labour's new economic strategy. Above all, Corbyn's Labour must insist there is no future repetition of the dogmatic and socially destructive conditions imposed by the richer Euro-area countries on the Greek people for a financial crisis which was, in large measure, a product of the irresponsible policies of banks in northern Europe and America. With the UK having to a large degree 'invented' the failed neoliberal economic model and pushed for its adoption in Europe, a radical break from this agenda in the UK would, in itself, represent a major blow to the few remaining supporters of austerity across the EU. This is quite evidently a historic opportunity for European politics that, by working together across borders, the left must seize.

At the heart of the Brexit vote and the success of the Leave slogan 'Take back control' was a sense of powerlessness and frustration – all of which will be exacerbated if Brexit takes place. The policies described above are all about empowerment and about making possible meaningful democratic institutions at local levels. What they require is a shift in politics at a European level, both a shift from right to left and from national to pan-European policies. To achieve the latter we need a discussion about democratisation: one that does not only focus on the further democratisation of EU institutions but also on the way that Europe's role in taming globalisation could help to restore substantive democracy at all levels. By substantive democracy we refer to the ability of citizens to influence the decisions that affect their lives. The control of global 'bads' (like financial speculation or the behaviour of multinational companies) makes possible decision-making at local levels closer to citizens.

It is not possible to stop the damaging effects on communities and individuals of unregulated globalisation and casino capitalism through leaving the EU. On the contrary, ordinary citizens will lose the chance to take part in the decisions concerning the biggest issues affecting their lives. We have already seen how the Brexit process has led to unprecedented concentration of power in the hands of the government, outside of parliament and outside of the view of citizens. This will only get worse if Brexit happens, with a government able to negotiate secretive trade, defence and industrial deals and whilst undercutting rights up until now guaranteed by the EU. It is the opposite of 'taking back control'. Jeremy Corbyn has rightly refused Theresa May's slogan 'citizens of the world are citizens of nowhere' by pointing out that British citizens must be citizens of the world if we are to achieve what we want. We must go further and say that Brexit itself risks turning us into citizens of nowhere.

In order to achieve more meaningful democracy at local levels, it is also crucial to address the 'democratic deficit' of the EU. Already there are proposals for a more democratic European parliament coming from President Macron, the Italian government and the German socialist party as well as from the Parliament and Commission. It must be acknowledged that in recent years since the Lisbon Treaty, the European Parliament has been significantly empowered, now having equal decision-making power to the European Council over most issues.



**The Blockupy protests in Germany called for 'real democracy' in Europe**

In the fight to democratise the EU, civil society will play a key role. Popular mobilisation against the Transatlantic Trade and Investment Partnership (TTIP) deal with the USA, and Comprehensive Economic and Trade Agreement (CETA) with Canada, has forced the European Commission to commit to being more open and transparent in future trade negotiations.

A panoply of civic movements calling for a more democratic EU focussed on the rights and wellbeing of citizens and people have sprung up in recent years, including European Alternatives, the campaign for a European Republic, DIEM25, Blockupy and the Refugees Welcome initiatives. Simultaneously, cities and local democracy are being re-empowered by new civic political forces from Barcelona to Naples, and these municipal movements are working to build European networks of cities and reshape European regional and urban policy.

A Labour party leading in Europe should join up with and support these initiatives. They can use their energy to force change inside the institutions whilst supporting them to transform society in a progressive way outside the institutions. This logic of collective strength amongst citizens and workers, together with determined parliamentary reformism and bold city administrations, is part of the heritage of the British Labour Party that the Corbyn leadership has rekindled. It must bring this strategy to the European scale in partnership with its sister parties to give democratic control to citizens over the future of their continent.



## Once we imagine what a Corbyn government in Europe could contribute to the solution of regional and global problems, the argument for rejecting Brexit becomes crystal clear

A number of the challenging issues facing the EU at the dawn of the twenty-first century are simply features of the current economic and social context: for example, the need to transition to a zero-carbon economy; to deal with the social effects of rapid technological change; and to cope with the demographic problems created by an ageing population. None of these problems can be addressed in national isolation and all require bold policy solutions and new thinking. But at a time when tackling these issues alone requires great energy and determination, the EU has too often been distracted by ‘self-inflicted’ problems. The ‘dual crisis’ created by the failure to reform the Eurozone and the ‘securitisation’ of the humanitarian crisis in the Mediterranean increasingly pose an existential challenge to the EU. While the causes of the Brexit vote are complex, and

post-war British society has never enjoyed a ‘permissive consensus’ for European integration, there is some evidence that the tipping point from Remain to Leave occurred because of the Eurozone crisis.<sup>18</sup> This is due to the EU’s loss of a reputation for economic competency undermining the case for membership amongst voters that might otherwise have been expected to take Remain over the line.

In other words, a failure to build a Europe grounded in the values of social justice and cooperation should be seen as a factor in Brexit, just as the recent push to revive the reformist project of Europe might well prove central to providing the impetus for rebuilding majority support for UK membership.

The Labour Party, under Jeremy Corbyn’s leadership, offered a clearly progressive ‘Remain and Reform’ strategy during the



referendum campaign. Since then he has built an important new relationship with enthusiastic social democratic and progressives across the EU. These are excellent foundations for a bold new message for the UK to remain in a reformed EU. Once we imagine what a Corbyn government in Europe could contribute to the solution of regional and global problems, the argument for rejecting Brexit becomes crystal clear.

Meanwhile, the Tories can only offer an economically disastrous and profoundly reactionary isolationist alternative. The latter is a path which would weaken further Britain's already fragile economic and social infrastructure. Internationally, it would risk becoming a tool in Trump's dangerous strategy of undermining cooperation and the fragile roots of global peace.

Whether the British government seeks parliamentary approval for some version of a harder or softer Brexit, it will deprive the British people of the democratic rights to help shape policy and decision-making at the crucial level of EU. It risks opening the door to a further weakening of our social and political rights in an isolationist UK.

Given the government's cavalier approach to the Brexit talks – and the neoliberal agenda underlying the Tory hard Brexit strategy – it is already clear that the outcome of the Tory negotiation will not satisfy the Labour Party's six tests.<sup>19</sup> That is why Labour must reject the government's Brexit deal. A defeat for the May government is a clear possibility, and would open up many new opportunities.

In that context, a new agenda for 'Remain and Reform' could go from vision to reality.

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