

QUESTIONS AND ANSWERS ON

A REFERENDUM ON OUR MEMBERSHIP

OF THE EUROPEAN UNION

1. **What is the background to Labour's attitude to a referendum on our membership of the European Union?**

The Labour Party leadership, supported both by most of the Party at large and most MPs, is sceptical about the benefits of an “in or out” referendum being held any time in the foreseeable future for reasons which are not difficult to understand. The Labour Party as a whole is broadly in favour of our EU membership, even if nearly everyone would like to see some reforms made. Holding a referendum could be a major distraction from other priorities, especially if there was a commitment to hold it a year or two after Labour might have gained power in 2015, when the electoral cycle is likely to mean that Labour would be trailing in the polls. A commitment to hold a referendum at some specified time might well seem inappropriate when the time arrived, if the EU was then in a particular state of flux. There are obviously few political attractions to the Labour Party in campaigning for a “yes” vote if the voters by then had become increasingly Eurosceptic. It is hardly surprising that, in these circumstances, the inclination of the Labour leadership is to say that the Labour Party does not support an “in or out” referendum being held, and this is the stance which has been adopted up to now.

2. **What are the potential electoral implications of this stance?**

The problem with the Labour Party's policy being one of opposing there being an EU referendum, however, is that this is very clearly not what most of the electorate want to see happening. There is overwhelming evidence that the electorate does want to be allowed to take a decision on whether or not our membership of the EU should continue. In 2012, the People's Pledge ran referenda in three constituencies,

Thurrock, Hazel Grove and Cheadle, monitored by the Electoral Reform Society. All of them achieved a higher response rate from the electorate than the local authority elections recently held in each area, and in each case almost 90% of respondents voted in favour of a referendum being held. These results have been mirrored in polls across the country. Those in favour of a referendum being held are far from all being Eurosceptic. Many want a referendum so that they can vote in favour of staying in. What united all of those responding positively was a strongly held desire to be able to express their democratic opinion on what they clearly regarded as a key issue in determining how their and their country's future should unfold. There was also a widespread view that the UK needs to make up its mind whether its future lies within the EU or outside it and that the Europhile leadership of all three of our major political parties made voting in a general election an ineffective way of getting this choice made. To allow almost forty years to elapse between 1975, the date of the last referendum on our EU membership, and now without any democratic endorsement of the huge changes which have taken place in the meantime, was not acceptable.

3. **How can this problem be resolved?**

While the Labour Party may not want a referendum at all there is clearly a problem if the electorate does want one, especially if this is likely to be a major issue during the run up to the next general election in 2015. An important judgement therefore needs to be made about how important influence on voting behaviour the promise or lack of one on a referendum might be. Clearly, in the tightly fought election which may well be forthcoming in 2015, any loss of votes should be avoided if it can be without compromising the Party's electoral stance. If our future in or out of the EU becomes a significant part of the election campaign, the loss of votes as a result of Labour refusing to have a referendum in any circumstances could potentially lose a critical number of votes. This is more likely to happen if the Conservatives campaign strongly in favour of a referendum – which seems very probable - while there is no doubt that UKIP will also have this as a major item on their electoral agenda. The Lib Dems, who also have problems about deciding what line to take on a referendum, may also decide that they will not rule one out. If a Labour government is to be elected in 2015 it is, therefore, very important that the Party has a viable electoral stance – and one which unites the Party as much as possible while also appealing to the electorate - as the general election approaches.

4. **What other factors are there which might influence what happens?**

The position is made more difficult by the enormous amount of uncertainty about a variety of factors to do with our relationship with the EU which may become more or less significant during the next few years. The Labour Party is already committed to supporting a referendum on any major EU treaty changes through the Referendum Lock legislation and it may be that a referendum will be triggered in

this way which Labour would then be obliged by previous commitments to support. Even if formal treaty changes are avoided, however, there is little doubt that there will have to be major alterations to the governance of the EU as a result of all the problems thrown up by the Single Currency. The Eurozone countries have little choice but to integrate their banking and economic policies much more closely if the euro is to survive. There must also be doubts as to whether – even if major efforts are made to avoid the Single Currency collapsing – these will be successful, leaving open the possibility of a much more substantial economic downturn in the Eurozone than we have seen so far, with all the implications this would have on the UK economy. Against this uncertain background, it looks likely that efforts will be made by the current Coalition to renegotiate at least some elements of our terms of membership, with much stronger promises being made by the Conservatives to get this done if they win the 2015 election. As a result, by then it may be rather clearer than it is now whether any such renegotiation is likely to bear sufficient fruit to have been worthwhile. All such negotiations, however, will have to be conducted against the background of closer rather than looser integration looming up at least among the EU Member States within the Eurozone. It is far from clear that, in these circumstances, the EU as a whole will be moving towards the looser, more devolved Free Trade area approach which most people in the UK want, which in turn is a far cry from the United States of Europe goal of any leading European politicians and civil servants.

5. **Where does the Labour Party stand on renegotiation?**

Yet a further complicating factor is where the Labour Party stands on pressing for any changes in the UK's relationship with other Member States, let alone dealing with some aspects of our existing membership, especially if this becomes a major electoral plank for other parties. While Labour may generally support the UK continuing to be in the EU, is this the case on any terms? Would Labour want to press for changes – for example on the Common Agricultural or Common Fisheries Policy – and what would a Labour government do if little or none were forthcoming? To what extent would the Party want to fight against the ever rising cost of our membership – now amounting to at least £20bn per annum gross and £12bn net if all contributions are included? What would Labour do if, even without Treaty changes, it became apparent that the EU was drifting into two distinct camps, those in the euro who were calling the shots and those outside who were left increasingly powerless? How would Labour view, for example, a future in which the Single Market for services was increasingly structured in a way which favoured Eurozone members at the expense of the City? No doubt the argument would be advanced that the UK would be much better off negotiating from inside than pressing for changes from the outside but, with more and more decisions being taken by Qualified Majority Voting, how long could this go on being a credible stance?

6. **How important is the EU as an issue to most people in the Labour Party?**

Yet a further complicating factor is that the EU generally is of much less significance as an electoral issue for most people in the Labour Party than it is for many others. The advantages of membership – the benefits flowing from the Social Chapter, for example – are more widely appreciated while the disadvantages grate less. Labour’s strong internationalist stance biases many of its members in favour of the EU, even if they recognise some of its faults. Most Labour Party members – and MPs – are therefore much more concerned about other issues such as Health, Education and the Economy than they are about whether or not the UK should be in the EU. Recognising that this is the case has to be an important factor in formulating a policy for the Labour Party on the EU for the next general election round which the Party can unite.

7. **What should Labour’s policy on an in or out referendum then be?**

In the light of all these conflicting considerations, there does nevertheless appear to be a way ahead round which Labour Party policy ought to be able to coalesce. This is not to rule out an “in or out” referendum ever being held if there is a Labour government but to take a more stringent line than the Conservatives about when any such referendum could take place. The Labour Party could state that it does not think it sensible to fix a referendum date a long way in advance, because no-one could know what the situation might be when the chosen date arrived. It could argue that an appropriate date for a referendum should only be fixed when it is much clearer than it is at the moment whether the euro will survive, what further steps towards integration within the Eurozone have materialised, what the future is for countries in the EU but outside the Eurozone and whether any of the changes to our terms of membership which Britain would like to see have by then been accepted. The Labour Party is already committed to a referendum being held if the Referendum Lock provisions are triggered. It could then state that it would be Party policy that the British people should be given a choice on whether or not to stay in the EU but only as soon as a Labour government decided that appropriate circumstances to do so had arrived. Labour would then have recognised the strength of feeling in favour of a referendum in the country while retaining the freedom to choose when and on what terms one would take place in the light of the circumstances prevailing at the time. No form of words is going to please everyone but a statement along these lines ought to satisfy the vast majority of Labour Party members while, at the same time, defusing the damage which could be done to the Party’s electoral chances by outright rejection of the referendum option. Is this not the best way ahead?