

Lord Owen: We must start to prepare now for an EU referendum

This autumn is the obvious time to start negotiating with Europe — ideally followed by a vote next year



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No British prime minister can abdicate from the continuous negotiating process that is the reality of EU membership.

After the German elections in September, any German chancellor will find it

essential to start negotiating with David Cameron and not wait until 2017. The eurozone crisis still hovers in the background. The EU, the second-largest trading bloc in the world after the US, will not reverse its depressed economic state with the UK uncertain for four years as to whether it will remain a member. Commercial, business and financial interests dictate that negotiations are brought forward.

It is time the present political leaders in Britain recognised that on this issue past leaders have often acted across party lines. All parties are split on many of these questions. The status quo is no longer an option.

By October this year, Cameron must have hammered out a negotiating position within the Coalition — or the Coalition should cease to exist. The minority Coalition partner is not entitled to stop the UK negotiating in the EU. The Prime Minister, Foreign Secretary and Chancellor of the Exchequer must be able to negotiate within the EU and put the result fairly to the British people through a referendum. The Liberal Democrats will still be free to recommend a “yes” or “no” vote in that referendum.

It is hard to deny that there is now a settled will among the British people to decide on our future relationship with Europe. They do not want this to be decided through a general election that leaves it solely to the politicians. It would be best to hold an EU referendum alongside the June 2014 European parliamentary elections. If the negotiations are not completed by then, the next window of opportunity would be September to December 2014, with a referendum before the end of February 2015.

The good news for an October 2013-April 2014 negotiation is that there is now, for the first time, a procedure available for making quick treaty changes, provided there is unanimity in the European Council. One set of treaty amendments should, since Germany insists they are necessary, involve the eurozone. Such changes would not involve a significant transfer of sovereignty from the UK and therefore will not need a referendum under the 2011 referendum legislation.

The second set of treaty amendments is where the UK would ask as a quid pro quo for acquiescing in eurozone treaty amendments to restructure the Single Market. It is simply unacceptable for the UK to facilitate a more integrated eurozone with, in effect, a block vote controlling all Single Market legislation. Both sets of treaty amendments would then be ready to be put in place depending on the outcome of a UK referendum.

Those parliamentarians in every party who believe there is no negotiation to be had within the EU will see their views tested. But that issue must be tested and Britain must genuinely be seen to try. If it fails, then regrettably a simple In/Out referendum must be held. I find it hard to conceive that many Liberal Democrat or Labour MPs would vote against the necessary legislation for a referendum once negotiations have been completed. The anger of the British people would be so strong that few MPs at that stage would risk such voters' rebuff in the 2015 general election.

The UK negotiating position would be for a Single Market that is designed for the whole of Europe. It would follow the existing Economic Area Agreement (EEA), to which all EU countries are signatories. The EEA already separates out Single Market policies from all the complex EU treaties. Signatory countries outside the EU, such as Norway and Iceland, would immediately become full voting members. All European non-EU countries would be eligible to apply to join. A country such as Turkey, already in a customs union with the EU, should be welcomed into the EEA.

There would be no commitment to free movement of labour for new members. Free movement of labour is not essential to a Single Market; it would stay, however, for those EU members who are already in or aspire to be in the eurozone. The EU has not hitherto treated Turkey well and it is not in our long-term interests to turn Turkey away from Europe. A restructured EEA would also provide a useful stepping stone to full EU membership for countries in the Balkans who are many years away from joining.

The rest of the EU may well be persuaded to make other sensible changes, such as dropping or radically changing the working time directives, helping to satisfy some EU critics, not just in the UK but elsewhere in Europe. There will not be a readiness to offer repatriation of powers to only the UK. If early agreement is possible — by next spring — the UK should choose to have a referendum well in advance of the September 2014 referendum on Scottish independence.

No negotiation works unless both sides gain. What would the EU get out of this? First and foremost, it would get continued eurozone reform without UK obstruction or holding back. Eurozone members would be heading for a more integrated Europe at a pace which they would set by the end of June 2014. Meanwhile, the UK would get clarity over its relationship with the EU. As after the 1975 referendum, a period of stability should follow.

It might be necessary, in fairness, to offer three choices in a UK referendum: to stay in the EU and modified EEA, retaining the option of entering the eurozone at some future stage; to stay in the EU/EEA but opt out of aspects of the existing EU that are identified in the negotiations as not being essential for countries that do not wish to ever join the eurozone, such as the Common Fisheries Policy; or to withdraw completely from the EU within two years, using Article 50. No one can be sure but I believe the British people would choose the second option.