

Ed Balls spells out his vision of a modern, post-Brexit Global Britain

By Peter Norman, AEJ Meetings Secretary and former Financial Times correspondent

The spur for Ed Balls' March 26th online meeting with members of the AEJ UK Section, London's Foreign Press Association and other invited journalists, was the publication some weeks earlier of "Finding Global Britain", a research paper he co-authored as a senior fellow of the John F Kennedy School of Government at Harvard University which set out a vision of how Britain could navigate its way to an influential and positive world role after Brexit.

The Harvard paper pointed to ways for "Global Britain" to develop from a political slogan used by the Brexit campaign through "hard economic policy choices" to be "a pragmatic but ambitiously outward-looking and progressive country". In his meeting with AEJ journalists, Balls drew on experiences from his academic and media activities to explore the choices facing Britain's two main political parties, and he warned against policy directions that could result in the break-up of the United Kingdom.

Balls, a still young looking 54 year old, enjoyed a rapid rise from economic journalism at the Financial Times through giving policy advice and a senior role at the Treasury to a seat in the cabinet of Labour Prime Minister Gordon Brown, later becoming shadow chancellor before losing his seat in the House of Commons in the 2015 general election.

That defenestration allowed him largely to escape the polarised post-referendum debate surrounding Brexit and its meaning for the UK's place in the world. His vision of Global Britain plots a middle course between that of "hardline Leavers" who yearn for Britain's long-gone 19th century past as an industrial powerhouse and world power and "hardline Remainers" who see Britain's future as a nation diminished by Brexit which must eventually rejoin the European Union.

Such a middle course requires people to truly accept the results of the 2016 referendum and that Britain has left the EU, Balls stressed. Only then could Britain make the right choices to prosper domestically and internationally. A failure to get Global Britain right could either lead to or accelerate the break-up of the UK, starting with an independent Scotland leaving the union.

The Harvard paper focused on five broad themes: Trade policy; Regulation; Migration; the UK's domestic "levelling up" agenda to reduce domestic inequalities and the need for a new national "narrative" for domestic consumption and to explain Britain's revised place in the world. On the latter point, the UK could be a leader "but only in collaboration" with others and should be guided by "competence, humility and good ideas" in its international relations.

All these policy areas involved sometimes difficult choices. On trade, for example, bilateral deals with other countries could only partially replace the losses incurred by leaving the EU's single market and customs union. But while it is "massively" in the UK's interest to promote the multilateral trading order, multilateral trade deals could

pose risks. Balls mentioned the UK's application in February to join the CPTPP, the trans-Pacific free trade agreement of 11 countries around the Pacific rim. At present the US is not a participant. But if the US were to join, there could be unintended consequences for the UK, which, should it also become a member, could find itself having to swallow unpalatable policies at Washington's behest.

The setting of international regulatory standards gives the UK a chance to draw on experience and expertise to lead, but it should be careful about the choices it makes. The UK, he pointed out, is too small to be a rule setter and too big simply to be a rule taker. Chairmanship of the COP 26 climate conference in November could point to a role in setting standards on climate change, while the UK should build on its expertise in financial services. A UK role in other areas of standard setting such as the digital economy and food would be more problematical. But in finding new ways forward, the UK should avoid adversarial tactics and should not shut the door on a relationship with the EU. On regulation, he warned that "bad outcomes" would result if the UK were forced to choose at any time between the EU and US.

Future migration policy to replace freedom of movement in the EU would send important signals to the world. In choosing the numbers of skilled, unskilled and students to allow into the UK, the government must not pander to domestic voices hostile to migration.

Turning to the levelling up agenda and the need for a national narrative, Balls claimed that other countries were looking to the UK to see how it deals with regional inequalities. Here it is vital that Scotland and Northern Ireland stay in the UK. "The worst outcome for Global Britain would be for it to turn into Global England", he warned.

Keeping the UK intact under a "Global Britain" banner poses big challenges for the two main parties and their leaders. In Boris Johnson's case, Balls saw a risk that he could curry favour with "little Englander" sentiment in order to shore up the Conservative party vote in recently won parliamentary seats in the North of England. Labour leader Sir Keir Starmer faced a problem in that many supporters were "Britain diminished" believers who voted Remain in the referendum and regarded "Global Britain" as a betrayal of the party's international and European heritage. Unless Labour argued for a modern Global Britain, it would be hard pressed to build support in Scotland and Northern Ireland.

According to Balls, "mainstream politics has to get back on the pitch and start building an answer about what a modern forward looking Global Britain looks like outside the EU." Labour and Conservative could have legitimate differences. But Starmer and Johnson should reject polarisation and instead argue out who has the best vision of Global Britain in order to keep Scotland, Northern Ireland and Wales in the UK. "We have to get away from the polarisation of the last few years, otherwise we will be dealing with the reality of a Global England," Balls said.

Ed Balls' 20 minute introduction was followed by a lively hour of questions and answers.

He was asked whether the presence of a Conservative government in Westminster and the absence of a federal system for the UK would indeed result in the UK being replaced by "Global England" in 10 years' time. In answer, Balls noted that there were internal divisions on the devolution issue in both the Conservative and Labour parties and that, partly as a result, party activists were becoming less representative of the UK as a whole. However, in the case of Scotland, polls showed there was still not a clear majority for independence. Much would depend on the approach taken by Boris Johnson: Would he produce a convincing picture of Global Britain or be a little Englander? He left that question unanswered.

Another questioner asked about the prospects for building a meaningful consensus across parties in Britain. While admitting there were impediments, such as a lot of social media commentary and party members for whom "consensus is a dirty word", Balls was broadly optimistic. People liked politicians to agree on issues and very few people were extremists, even if they sometimes voted for extremist parties for local or other reasons. Drawing on experiences gained while making TV documentaries about the grievances voiced by people in Trump's America and of the far right in Europe, Balls observed: "Quite often people just want to be heard".

Balls pointed out that all great reforms in history only proved lasting when supported by consensus. Great leaders have to see there are times when consensus is required, and today's twin issues of defining Global Britain and preserving the union of the UK constituted one of these moments. If Johnson and Starmer are good leaders, they will seize this moment, he said.

He was challenged about his apparent preoccupation with Britain maintaining close ties with the EU post-Brexit, especially in the light of the EU's obvious problems in areas ranging from vaccine supply to democratic and rule of law standards. But when presented with the idea that countries like Japan, Canada and Norway fared well on their own, Balls countered that they too (and especially Canada) had to cede sovereignty to live alongside larger neighbours. True, the UK now had "some degree of freedom". The issue centred on which bits of sovereignty a modern Global Britain should share.

A question about "culture wars" in the UK prompted Ed Balls to suggest that people in the UK were generally bound together by values and experiences and a limited number of unifying symbols. He mentioned the Queen, the army, the NHS and the BBC. In remarks directed at Labour, he warned that political parties rejected patriotism at their peril. It was possible to be a patriotic supporter of a Britain that is also "progressive and outward looking and proud of its egalitarian and efficient NHS".

Earlier Balls was asked about the future of Financial Services in the UK - a policy area for which he was responsible as a Treasury minister in 2006 until July 2007. He roundly rejected suggestions that the UK should accept a diminished role for the City and the sector as a whole, stressing that it has special expertise developed over centuries. He saw opportunities for the UK despite the EU's refusal to grant UK service providers equivalent status in regulation with their EU competitors, suggesting that the City could gain business if the EU reverts post-

Brexit to a more bank-based financial system. Importantly, he rejected a "race to the bottom" in standards when the UK sets its own financial regulations.

It became very clear during his meeting with the AEJ that Balls is thoroughly enjoying his life outside government and parliament. But having put on a *tour de force* performance for his virtual audience, it was no surprise that he should be asked whether a return to front line politics is on the cards.

"I decided to move on", he said, explaining his varied mix of media and academic activities since losing his seat in parliament in 2015. "You should only go back to doing something if it is about the future rather than the past". He then paused a moment. "I'm not saying I'll never go back," he said. "But there is always a danger that you do it for the wrong reasons".