

Reform and the Referendum

'My recommendation is clear: I believe every family, household, business, community and nation within our United Kingdom will be stronger, safer and better off by remaining inside this reformed European Union.' The Prime Minister, the Rt Hon. David Cameron MP.

The United Kingdom now has special status in the European Union. Our Prime Minister secured a settlement that gives us the best of both worlds. This settlement makes the EU work much better for the UK and puts the EU on a path of long-term reform.

The new settlement reinforces the clear economic and security benefits of EU membership. It confirms that we will not be required to take part in any further political integration, creates a mechanism for reviewing existing EU laws and ensuring that decisions, wherever possible, are taken at national level. The deal guarantees substantial, legally-binding, irreversible change in our membership of the EU across four areas.

The deal

Economic governance

- Full membership of and equal access to the world's largest and wealthiest single market.
- We will never join the Euro and our taxpayers will never pay for Eurozone bailouts.
- UK businesses, our economy and financial system will be protected from unfair discrimination as a non-Eurozone country.

Competitiveness

- The Single Market will be extended, especially in services, energy and digital.
- Annual review of the regulatory burden on businesses to reduce red tape.
- The EU will vigorously pursue free trade agreements with the world's most dynamic economies such as US, Japan, Latin America, Australia, and New Zealand.

Sovereignty

- UK's legal recognition as an independent sovereign country in charge of its own destiny.
- The UK is not committed to further political integration (ever closer union).
- National parliaments will have a red card veto on unwanted proposals.
- Justice and home affairs are the responsibility of the UK unless we choose to opt-in.

Welfare and free movement

- No membership of the Schengen zone, so no obligation to accept refugees, migrants or third country nationals unless we choose to do so.
- 7-year long emergency brake on access to in-work benefits for new EU workers.
- UK will not have to pay any means-tested unemployment benefits to EU job seekers.
- Child benefit for non-resident children will be paid at the rate of the country of residence.
- Non-EU nationals who marry EU nationals in the UK will meet our immigration rules.
- UK can more easily refuse entry and deport individuals where we believe they pose a threat to the UK's safety and security.

Best of both worlds

As well as the newly agreed settlement we will continue to reap all the benefits of the Single Market and cooperation with our European colleagues.

The Single Market gives UK businesses and consumers tariff-free access to the world's largest trading bloc with 500 million people and 26 million companies generating almost £11 trillion in economic activity, and £229 billion of UK exports go to the EU.

As a trading country, the UK's ambition is to maximise trade with both the EU and the rest of the world. Despite the rapid growth of developing economies, it is the EU that remains our single most important trading partner. The EU accounts for 44% of the UK's exports and over 60% of exports from small businesses.

At the same time, the UK benefits from the EU's greater economic leverage, which has allowed it to negotiate advantageous FTAs with more than 50 other countries. The EU is already the largest trading partner of 59 countries representing more than half of the world economy, around twice that of the US, which is the largest trading partner of 24 countries.

Membership of the EU enhances our ability to co-operate to combat crime and terrorism and keep our country safe. For example, the European Arrest Warrant for easier extradition of foreign suspects and Europol facilitates information exchange across the EU. Currently, the UK has an opt-in for Justice and Home Affairs, allowing us to choose which measures we should adopt, but out of the EU we would have no such choice.

At a time when we are faced with an increasing range of serious threats, cooperation at an international level is more important than ever. History has taught us that when we work closely with our European allies we can overcome serious obstacles.

The alternative?

Far too often this debate is about emotions and not facts. The 'out' campaign has not offered any credible alternative; and it is not simply enough to say leave for leave's sake.

Often cited as a model for the UK outside EU, the European Free Trade Area includes Norway and Switzerland (EFTA). But EFTA members still have to fund the EU, abide by all EU regulation and apply the principle of free movement of people, without a seat at the EU table. Norway pays £115 per person compared to £152 per person in the UK 2014.

Alternatively relying on World Trade Organisation membership would leave the UK isolated in international trade negotiations and subject to the EU's external tariffs – 15% on average for food, and 10% for cars – to trade with the EU Member States. Our exports would still have to comply with EU standards and regulations and this would make UK exports uncompetitive in the single market.

The UK-EU 'special deal' scenario advocated by the 'out' campaign is highly unlikely. Firstly, we have a trade imbalance with the EU – we need them more than they need us. Secondly, it requires goodwill on the part of the other Member States after Brexit, and there are few divorces that end amicably. Thirdly, in order to trade with the EU we would still have to accept more than two-thirds of all current EU laws and continue to make a net contribution to the EU budget, but without any say over how the laws are made or money is spent.

Conclusion

The new settlement that the PM has negotiated guarantees that we will have full free trade benefits, our own border control, no euro and no ever close union. This gives us the best of both worlds.

The EU has facilitated the longest period of peace and prosperity that the European continent has ever known. Why step out of the world's largest, wealthiest single market – bigger even than the USA, putting industry, jobs and growth at risk for a leap into the dark?

Britain will be stronger, safer and better off remaining a member of a reformed European Union.