

A Capital Business: Brexit and the Framing of the British Working Class

Great Britain has often been seen – by both those abroad and the people in good standing at home – as a model of political stability and effective parliamentary democracy. That reputation is now in tatters. Chaotic scenes in Parliament, threats to parliamentary procedures, and the strong possibility of major self-inflicted economic disruptions suggest a country that has lost its compass. On the surface, this disorder springs from Brexit, the proposed withdrawal of Great Britain from the European Union. In a referendum in June 2016, a majority of the voting electorate opted for Great Britain to leave the European Union. More than three years later, with one exit deadline already passed, the British political system had still not decided on the terms of the exit it wants, and reaching sufficient consensus within Britain and with the EU still seemed a distant and difficult prospect. Very evidently, British politics and the British political system are in some sort of crisis. The question is: what sort of crisis? and why is it precisely the Brexit issue that seems to have precipitated it? Some see the present situation as a sort of collective suicide, a popular, uniquely British revolt against reason – fuelled by nationalism, xenophobia and racism. Others point to a broader and common crisis in Europe and North America, and the emergence of an unstoppable populist force for reaction – a new Dark Age.

There are, indeed, *similar* elements among Brexit and the startling political transformations in Europe and North America¹. They arise from developments in the global capitalist system experienced by all countries and peoples, specifically: the massive restructuring of production and class relations in the capitalist-promoted and managed “globalization process”; and the re-appearance of an acute inter-imperialist rivalry ending the half-century of the hegemony of the United States. There are also very important *differences* in national responses to these developments, corresponding to very different national configurations of capital and labour. We suggest that the particular configuration of capital in Britain has led important elements of the British ruling class to seek to tie the British economic system even closer to a new form of US-dominated international economic system – and to withdraw from an EU that is also seeking to articulate its own defensive re-positioning in the capitalist global economy, but is doing so in the “wrong” way.

To understand the Brexit initiative and the political crisis of the more than three years that followed, we need to frame the Brexit process within the forces that fundamentally inspired and shaped it. We take it as axiomatic that Brexit involves an intra- and inter-class struggle in *Britain* shaped, in turn by the changing structure of production and appropriation of surplus value in the global capitalist economy. As a method of analysis, we approach the political and ideological as dimensions of the inter- and intra-class struggle over surplus value and profit. In this regard, we consider that very far from being a challenge to capital and an expression of a new popular power, Brexit has been promoted by important capitalist interests within Britain whose accumulation strategies involve a shift in the country’s international alignment on the inter-state level. Correspondingly, the “populist uprising” rather than being a new working-class anti-elite movement is a highly engineered top-down ideological artefact drawing upon a political language and symbolism (of nationalism, xenophobia and racism) elaborated and fostered for well over two centuries by a British ruling class intent on domination and division at home and abroad – and put into practice on an everyday basis by its British state itself as the prime practitioner and disseminator of racism, xenophobia and

¹ While one of the key theses of this paper is that capitalist re-structuring has been truly global, and that global *capitalism* has become a reality only in the last two decades, we refer to an only limited range of actors and situations here. Clearly, many other actors have promoted and experienced important political changes, in Asia, Latin America and Africa, and those changes have been part of the process of global transformation – in ways that correspond to their different forms of articulation with the global system of production and distribution of surplus value.

nationalism. We start with the global context of growing inter-capitalist rivalry, then move on to the specificity of the configuration of British capital, and only then to British politics, populism and the political crisis— and some conclusions to be drawn for political action and strategy.

From pax americana to America First

For fifty years after the second world war the principal capitalist economies of North America and Europe experienced a period of increasing productivity, increasing incomes, and high levels of employment and social security – among many (but certainly not all) ordinary working people. This extraordinary transformation expressed the dissemination and adoption of a particular form of large-scale capitalist production pioneered in the United States before WW2 and perfected during the second world war – what we call Fordism. In *most* cases, the prevailing form of political organization within these countries became more or less universal adult suffrage for representation within parliamentary systems that ostensibly supervised the massive state structures developed to provide the conditions for the functioning and expansion of capitalist production - as well as for the social quiescence that might be bought by basic provision of basic social security in terms of income, health, housing and education for the massive urban proletariats that quickly grew around the centres of large scale production.

For many working people in these economies, it was a period of often astonishing improvements in the conditions of life, including in their collective economic and political influence in unions and in mass reformist social democratic political parties (be it under communist, socialist or social democratic headings). For those who actually owned these new forms of production, the capitalist class, it was also a period of enormous prosperity: the increase in productivity in these new forms of production was so great that it could permit both an improvement in the lives of employees and massive profits among employers.

In striking contrast to the previous half-century, it was a period of relative peace among the major capitalist powers. The ruling class of the United States exercised undisputed economic and political hegemony in the capitalist world economy, and its international problem was limited to containment of the Soviet Union and ensuring that local political and economic allies of the dominant US capital achieved and retained power everywhere. Outside of North America and the United States, the so-called Third World represented not so much a threat as a problem: its poverty and underdevelopment limited opportunities for the advanced capitalist areas – in the form of export of goods and capital, as well as of imports of cheap raw materials.

This very particular and, as it proved, quite short-lived experience in the advanced capitalist world would come to shape many prevailing ideas and expectations relative to the present and the future. It defined what many came to think of as normal in economic life and in politics. However, that story is now definitively over and finished, and it will never return. The institutions, policies and ways of thinking that were developed in the “golden age” are increasingly irrelevant, and we see, inevitably, that what was considered natural and permanent was, in fact, exceptional and transitory. This transformation is not the result of the crisis of capitalism. It is the result of the triumph of capitalism and the modern form of its imperialism. Or better, it was a result of the triumphal resolution of a crisis of capitalism through a massive and deliberate expansion of the capitalist world economy under the guidance of the capitalist class of North America and the Western Europe –with profound implications for class relations everywhere.

The growing economic and political power of labour in the Fordist industrial centres of the USA Europe and Japan impelled the bourgeoisie to seek out new areas for investment, areas with cheap labour controlled by states friendly to capital, and willing and able to employ everyday violence to

guarantee undisputed capitalist control of the work process. In the United States, American capital abandoned area of industrial and proletarian concentration, and moved basic industrial production – and industrial jobs – elsewhere: first, to the South of the USA in search of lower wages and weaker workers' rights; then to Central and Latin America; and then to Asia. European capital joined in the game – in Asia, and of course, in relation to its own particular “windfall”, the subordinate economic reorganization and selective integration of the production systems and working populations of Eastern Europe. In alliance with local ruling classes seeking the expansion of their own opportunities for better exploiting of “their” working populations, the bourgeoisie of North America and Europe created in just a few decades a new world of capitalist production, exploitation and trade. This is what some economists and commentators call “globalization”. Others call it the new imperialism.

In just a few years capitalist relations of production expanded from their largely “developed world” centres to integrate the mass of labour across the entire globe. At the end of the 1970s it could be argued that while capital dominated and organized much of the global economy, enormous areas and populations remained outside direct and full integration into capitalist production, be it in alternative and self-styled “socialist” forms of large-scale production and exchange, be it in petty production. Thirty years later, capital ruled *inside* the productive process everywhere.

The main new element of this vastly expanded system was China, where hundreds of millions of poorly-paid workers were brought into new (and capitalist) forms of production and exchange - a transformation made possible in part by massive flows of capital and technology from the United States, Western Europe and Japan, on the one hand, and by opening of their domestic markets to imports from China, on the other. On the basis of very active collaboration between the Chinese ruling class and global capital², the size of the global proletariat was doubled in just a few years – and the combination of low wages with relatively high productivity in production on a stupendous scale ensured correspondingly stupendous profits.

As factories were opened in Asia, factories were closed in North America and Western Europe, where there was a rapid shift from mass production to a much-reduced set of industrial activities focused on highly specialized and highly profitable functions within the global division of labour. The secure and relatively homogeneous working class of the short era of large-scale production was increasingly replaced by a much more fragmented and differentiated mass of workers, many with insecure employment and stagnant or lower wages – and this weakness was capitalized upon by the bourgeoisie to further reduce economic and social rights. In effect, in North America and Europe phenomena that were common in moments of recession seemed to become *permanent* and *general*. This is the well-known crisis of the *working* class in the so-called advanced capitalist countries.

For the much-expanded global *capitalist* class, the story was very different. The exploitation of a weakened working class in the “old” centres, and of a deeply oppressed and huge proletariat in the “new”, promoted dramatically rising wealth and incomes among the few in the United States, Western Europe and in the new centres of capitalist production. For the ruling class of the “old” capitalist world, part of this super-profitability was based on retaining control of key areas of production, commerce and finance (high technology and design, branding and marketing) yielding

² This integration of China and the Chinese working population into the global capitalist system, long a dream of the “West” was, of course, principally made possible by developments within China, particularly the successful creation of a very significant industrial base in the “Maoist” period and, the defeat of the Cultural Revolution, and the subsequent ascension of the “capitalist roaders” within a self-styled Chinese Communist Party tainted from the beginning by a significant nationalist element. The Chinese capitalist leap, however, would have been much less consequential without the warm welcome and support afforded by the capitalist powers.

exceptional profits (because of barriers to entry) – and ensuring that producers in China were kept in the lower profit areas. Nonetheless, the relations between the capitalists in the advanced areas and those in Asia were relatively harmonious. China (including the China-based subsidiaries of foreign companies) produced industrial goods on the basis of the type of massive Fordist operations that had eventually become so economically and politically noisome in the USA and Europe. The Americans and Europeans (and Japanese) provided much of the capital, sophisticated tools and technology to make that production possible. And, of course, they also arranged for the Chinese output to be bought by their own working classes in the successive trade liberalization agreements orchestrated by the entity created for that purpose, the World Trade Organization³.

Both the Chinese and the “advanced” capitalists made huge profits, saving global capitalism from the profits crisis of the 1970s. However, the solution to every crisis lays the foundations for the next, and precisely the development of capitalism in China – aided and abetted by the capital of the “old” capitalist world – has generated a radical challenge to that “old” world, and an increasingly bitter struggle to define its outcome.

Specifically, the relation of *complementarity* between the interests of the Chinese and external advanced capitalist class has changed dramatically. Partly in response to the rising labour costs and the declining productivity increases that are normal after the first phase of adoption of capitalist production processes and relations, Chinese capital is now planning to defend its own profitability by breaking into the most sophisticated and technology-intensive areas of global production – areas that are currently the bases of super-profits for capital in the advanced capitalist areas within the international division of labour or which represent new but promising areas of production to which the old world has not yet staked out its dominance (e.g., electric vehicles, 5G). China now *threatens* the position and accumulation strategies of the capital of the advanced areas – from an industrial base larger than ever seen before in history, mobilizing the largest industrial labour force, in the largest factories, in the largest cities in the world – not only now, but *ever*. The Chinese ruling class has announced quite explicitly that it is planning to challenge the position of the advanced economies and their ruling classes economically, politically and militarily – and the Chinese state is central to these efforts. When an economy the size of China takes the path of seeking to over-turn the post-War order and redefine the contours of globalization, everybody pays attention.

Suddenly the capitalist world as Europeans and North Americans experience it has been plunged back into the past – from collaboration and free trade, to competition and trade wars, from the Pax Americana to the sort of inter-capitalist and inter-imperialist rivalry that is reminiscent of the period preceding the first World War. And just as the United States governments from Nixon to Obama played a central role in organizing the support of US and allied capital for subordinate capitalist development in China, the United States government under Trump has taken the lead against the new ambitions of the Chinese ruling class. Capital everywhere faces the same questions: how to respond economically to competition from China, on the one hand, and the USA’s “tightening” of relations with its lesser clients and partners, on the other? And, given the enormous size and resources of China, with whom to ally economically and politically? With China? With the United States? Or with the third great capitalist economic bloc, the European Union?

³ Globalization did not just “happen”. It required, inter alia, a carefully constructed institutional matrix. If some won and some lost, that is the way it was meant to be. With regard to trade liberalization and the entry of China into the WTO, China’s cheap labour model *necessitated* a very strong orientation to external trade for the realization of surplus value (by Chinese and foreign capital).

The state, capital and inter-capitalist rivalry

Throughout the “old” capitalist world the same questions are emerging, and the ruling class everywhere is seeking to develop and impose new economic and political strategies to maintain its power and its accumulation. This challenge emerges at a time when the “old” political formations are weakened because of the transformation of the society they reflected, and because of the inadequacy of the policies and answers of the past to the interests of important segments of capital and labour today. Everywhere there are attempts within the ruling classes to create new winning coalitions around new approaches, while necessarily seeking to obscure the true interests involved. This, of course, is the essence of what is called *populism* – new forms of political mobilization around new capitalist objectives that escape the old political order.

In these new struggle and strategies precipitated by emerging tensions in the global capitalist economy, control of the state is essential. The *capitalist* state necessarily reflects the *dual dynamic of capitalist accumulation*: on the one hand, the collective interest of *all* capitals in creating and deepening the conditions for exploitation of labour; and, on the other hand, the struggle of individual capitals, and *groups* of capitals, to maximize their *own* portion of the total social surplus value in the form of *profit*. Capitalist state power is built and employed not only to ensure the conditions for maximum exploitation of labour, but also to facilitate the accumulation of capital by some groups of capitals at the expense of others. The capitalist state and its politics is thus also a field of struggle among *different* capitalist interests to define the state and the polity in terms of their own particular accumulation strategies, which extend far beyond immediate commercial regulation to the entire structure of support that the modern capitalist state provides to capitalist production and accumulation⁴ - including international relations.

In the context of the temporary prostration of the working class by the effects of the globalization process promoted by capital itself in both the “developed” and “underdeveloped” areas of the global economy, contemporary politics are shaped principally by conflicts within the ruling class, and these conflicts have become more serious and crisis-ful as the rise of capitalist China demands new directions. Brexit is one product of this situation, reflecting both the general global situation and the specific issues of the British ruling class with regard to both its own internal elements and the working population. It represents an attempt to reposition British capital globally in a direction shaped by both the change in the international context and the particular nature of capitalist

⁴ Struggle among fractions and shifting groups of capital is constant and can emerge into full-blown *crises*. Problems in the production and realization of surplus value rooted in inter-class relations have played a role in the emergence of these tensions, but different types and groups of capital experience these problems differently and seek different solutions. These issues, interests and struggles differ in time and space according to the constitutionally uneven nature of capitalist development. The configuration of capital and capitalist interests in the political catchment area of the modern German state are different from those in the catchment area of the British state – and the competing internal and emerging projects for meeting and maintaining accumulation within the global shifts in economic and political organization are also different. This struggle among different groups and fractions of capital for the construction and use of the entire state apparatus in its national and international projections is arguably the substance of everyday capitalist state affairs and politics. It has also been one of the key forces in modern global and national political conflicts and crisis. The Great Global War between 1918 and 1945 was unleashed and sustained by economic and political conflict among capitalist interests grouped around “national” state structures. The Civil War of the United States was rooted in a conflict over state power among different groups of US capital with very different “national” and international interests in conditions of accumulation. The protracted struggle in Great Britain over the repeal of the Corn Laws was a struggle between capital in agriculture and capital in industry. Inter-capitalist rivalry is an economic and a political phenomenon that has shaped the modern world and its trail of human disasters.

interests in Great Britain. The so-called chaos⁵ of Brexit reflects bitter conflict *within the ruling class* over Britain's global economic relations and alliances, and its "populist" dimension expresses the opportunities for enlisting (in the struggle among capitalist factions) the support of working people, opportunities arising from the weakening of the older political party structures – itself a result of the earlier processes of capitalist globalization and economic destruction and re-composition. *Brexit is not about national independence for "Great Britain", but a choice to leave an evolving European model of accumulation, class relations and imperialism, itself stimulated by the changed global context, to ally (in a subordinate role) with the US ruling class: with aggressive global imperialism, with the leadership of finance capital, and with aggression against the economic and social position of working people everywhere.* Before we get too excited, the choice is not between capitalism and socialism, but between slightly different forms of capitalist accumulation. Similarly, the choice is not between imperialism and "community", but between different forms of imperialism.

Capital in Britain

We need to recall two special characteristics of the experience of the British ruling class in order to grasp the motivation for, and dynamics of Brexit from the point of view of Britain's ruling class: the first is economic; the second is political.

Great Britain was the first and greatest global capitalist power, the pathbreaker in the development of capitalist imperialism and the massive export of capital. Correspondingly it was for long the centre of a vast global system of financial exchange, investment and management. Moreover, if Britain's *industrial* pre-eminence faded quickly in the latter part of the 19th century and early 20th century, its *financial* eminence did not. Finance capital, financial services and the export of capital to finance industrial development elsewhere remained critical to the British ruling class – and, indeed to the global capitalist system. Finance capital has a special place in British economic life.

Partly because of the vast resources of its imperial system⁶, Great Britain was the only European imperialist power that was not defeated in the second world war. Notwithstanding both the huge sums it paid to the USA for its material and political support in the war, and the eventual dismantlement of most of its formal empire⁷ after the second world war, Britain retained vast overseas financial interests and investments, a very significant part of which were in the United States. Moreover, the financial service sector in London continued second only to New York in global terms – managing finances, insurance, etc. not only for Great Britain and its ex-empire and colonies, but also for much of the rest of the world. The result has been that for a century or more, for large sections of the British ruling class the health of the financial sector has been very much more important than the health of the industrial sector – just as the prevalence and defence of capital globally has been as urgent a concern as *internal* accumulation dynamics within Britain itself.

This deep engagement of British capital in global investment and financial sector development has become even *more* pronounced in the last thirty years. The deregulation of the British banking system in the 1980s promoted London's role as one of the most important centres of financial

⁵ "So-called" because the normal processes of production and accumulation, social management and oppression, have continued without significant disturbance. The "chaos" is at the parliamentary level, where the normal and everyday processes of continuous *fine-tuning* of the national framework for accumulation has been partially disrupted by an intra-party dispute.

⁶ Of course, the story that Britain stood "alone" against Germany after the defeat of France in the second world war is quite untrue. The British state and ruling class were able to draw heavily on the material and human resources of the empire and colonies, as well as vast financial holdings elsewhere.

⁷ An empire that had reached its territorial zenith only *after* the first world war – under the mandate system contrived for the carve-up of the former Ottoman empire.

management for global capitalism – largely complementary to New York, the financial heart of the USA’s global economic empire. Since the 1980s, the financial sector based in London has been the fastest growing part of the British economy – with a truly global scope, including a major involvement in servicing both the “black finances” that flourished after the mass theft of social property in the wake of the fall of the Soviet Union, and the everyday desire of the bourgeoisie everywhere to place its wealth beyond the reach and scrutiny of state structures that might, conceivably, at some point in the future, seek to restore the systems of taxation that had underpinned, for example, the post-War capitalist welfare state. Relations with US finance capital and US financial service markets are particularly important, as, indeed, are Britain’s overall economic relations with the USA⁸. Indeed, if US-led “financialization” has become a critical dimension of the organization of capital (and, indeed, production) globally, then it can be argued that the British financial service sector has become a vital component of the overall mechanism.

British industry, by contrast, has languished. The industrial sector in Britain, the birthplace of the industrial revolution, accounts for 19% of British GDP. In Italy it is 24%, and in Germany 31%. Even Spain, at 23%, has a bigger share of its economy in the industrial sector than Great Britain. Outside of the defence-related sectors, particularly aerospace, British state policy towards industry has not been particularly supportive – especially since the 1980s, when Thatcher allowed huge swathes of British industry to fail. Indeed, it can be argued that the maintenance and broad modernization of British industrial capitalism has been more of a Labour Party project than a core Conservative Party concern. In comparative global terms, the British industrial sector is still large, but there are few national champions independently leading important global or even European sectors in terms of control of key value-adding processes and the organization of global and trans-European supply chains. A large part of “advanced” capital invested in industry in Britain is in the frame of foreign-controlled operations using foreign-sourced designs and technology: not a strong basis for the promotion of advanced industrial development at the state level. Arguably, a much stronger industrial-sector lobby is the mass of smaller capital engaged in relatively low-technology, low-design industrial production. Their interests, however, involve not the establishment of a stronger platform for industrial competitiveness through industrial concentration and technological leadership, necessitating the development of the social framework for a highly skilled workforce, and focusing more on quality/innovation competitiveness and less on cost minimization in key value-adding processes. Their interests revolve around cost reduction through containment of salaries and workers’ rights⁹.

The special prominence of British financial capital, the relative weakness of industrial interests, its global investments, and its particular relationship with the United States make it a relative stranger to the main thrusts of EU policy oriented from the beginning to the deepening and coordination of European capitalist *industrial* development and internal European integration. The divergence became ever greater from the 1980s onward, including after the 2007-2008 financial crisis and the quite wide difference between the rates of economic recovery in the USA and the EU. If the structure of capitalist *economic* interests in Great Britain is different from those that prevail in the leading states of the EU, the *political* differences have been equally important. In spite of an evident

⁸ In 2016 the USA accounted for 14.6% of all British exports, compared to 7.2% for France and 8.8% for Germany. In 2017 the USA accounted for 21% of all British financial services exports.

⁹ This is not to suggest that “hi-tech” companies are not also interested in control of labour and wage containment, for the anti-union position in much of the technology sector is well-known. Rather, in a global economic system where higher profit (i.e., appropriation of “social” capital by “individual” capitals) is highly correlated with the creation of pockets of de facto monopoly (because of barriers to entry into direct competition, e.g., on the basis of intellectual property, trademarks, etc.), the organization of labour in the key points of the system is more likely to focus on the conditions for contributing to the development of the monopoly position than on simple cost containment.

desire to promote a more neo-liberal agenda (and its actual pursuit of the same *where it has a free hand*, e.g., its handling of the Greek debt crisis), the overall direction of EU policy reflects the internal political and economic equilibrium in the major continental European states: a quite strong emphasis on the regulation of the capitalist economy; and clear social-democratic elements in the regulation of social rights and the relation between labour and capital. Europe today looks more like Britain in the 1970s than Britain in the 21st. century.

Thus, neo-liberalism has had limited articulation in the conduct of the ruling class and their relations with the local working population in the principal capitalist states of continental Europe. Not so in Great Britain. In the late 1970s, the British ruling class, with Thatcher as its coordinating political agent, launched, in association with the US ruling class under Reagan, a sustained and successful counterattack against the economic and political position of labour¹⁰ - under the flag of neo-liberalism. The industrial centres of labour militancy in the USA and Britain were allowed to collapse, trade union rights were restricted, social services were reduced, public sector production and services were privatized, and job security was undermined. Notwithstanding the fog of promises of *eventual* “growth” for all, neo-liberalism prevailed in the interests of capital *here-and-now*, and the hoped-for results soon followed: stagnation in worker income; virtual elimination of mass strikes; reduction of public expenditure; and greater opportunities for private capital in social services and industries that were previously public. Correspondingly, the concentration of income and wealth in the United States and Great Britain rose rapidly – to make these two great *democracies* the most economically, socially and politically unequal societies in the advanced capitalist world. In Britain, as in the USA, this focus on the interests of capital was subsequently sustained largely without interruption: in Britain through the Labour government headed by Blair and, after the 2008 global financial crisis, through the Conservative governments of Cameron and May - under the heading of public financial “austerity”.

The difference between the British and continental *political* experience, and the difference between their respective capitalist *economic* structures and interests, suggest that there would always be tensions *within* the British ruling class about policy towards the European Union, and tensions *between* Great Britain and the continental capitalist countries about the EU’s direction and future. Part of the British bourgeoisie saw the future in terms of cheap local labour, an impoverished welfare system, the expansion of deregulated finance capital, and closer association with the USA - where there had been a similar attack on labour, where finance capital ruled, and where its international interests required a leading global role in making a world safe for capitalist accumulation in production, trade and finance. Perhaps a larger part of the British bourgeoisie, however, had also developed significant interests within the EU system of production, finance and trade over nearly 50 years. Between them, an uneasy peace prevailed in which British capital and the manager of its collective interests, the British state, sought, in a manner of speaking, to keep Britain both within and outside the EU. It was *in* the EU (as a rather late entrant), albeit as an unwavering opponent of greater integration and centralization, and *outside* of the European Monetary Union. It was also *in* a special relationship with the USA, both politically and economically. Internal peace prevailed as long as Britain could have its cake and eat it. That, however, would depend in part on external developments over which the British ruling class could exercise no effective control

Britain and the emerging global crisis

The dramatic *relative* weakening of British capitalism in the global context for over a century has precluded pursuit of a truly independent capitalist accumulation strategy, necessitating, for the last

¹⁰ A local attack “complemented” by the parallel pincer movement of globalization.

half century uneasy semi-integrations with its competitors in the form of a unique balancing act between the USA and the EU. The rise of capitalism in China, the subsequent bid of its rulers to escape its subordinate position in the global capitalist production system, and the recent re-emergence of serious inter-capitalist and inter-imperialist rivalries, in short, the global context, has made this British balancing act unsustainable.

On the one hand, a more unilaterally oriented USA is following a more belligerent policy in defence of the interests of its ruling class both home (through deregulation and attacks on labour) and abroad, and is demanding greater alignment with its interests among its international “partners” – not least through aggressive bilateral trade and investment agreements creating special conditions for the operation of US capital among its “friends”. In effect, the USA has passed from a multilateral model to a US sphere of interest model. On the other hand, the EU’s response to the threats of Chinese competition (not least within Chinese markets themselves) and US bilateralism has been a push towards: reinforcing European market integration and strengthening the competitiveness of European industry, including through industrial consolidation; promoting further EU political and economic centralization; and, pursuing the development of a more independent foreign policy and combined offensive military capability. The success has been limited, but the *direction* is clear.

For a significant part of the British ruling class, remaining in the EU as it responds to the challenge of China and the USA would mean reducing the possibility of having privileged access by British capital and financial services to the international economic zone that the US is building, one bilateral trade agreement at a time; giving an emphasis to support for industry of a sort that had not been seen in the UK for two generations; and, possibly, limiting opportunities for the further unrestrained exploitation of local labour of the sort that had developed in Britain much more than in the rest of core EU economies since the 1980s¹¹. In effect, the apparent consensus of the continental EU capitalist class is to move in a direction that is antithetical to the interests and position of a significant element of a British ruling class seeking to promote quite different accumulation strategies and economic alliances. Arguably, it was this existential challenge that gave urgency and impetus to the bid to re-define Britain’s relationship with the EU (noisily and overtly) and the USA (quietly), a bid by a growing, albeit minority faction of British capital¹² for state power to redraw both external and internal economic and political relations for the rest of British capital and the whole of the British population.

If this question of strategic choice between accumulation strategies and partnerships linked either to the EU or to the USA seems distant from the public discourse in Britain about Brexit, focused as it has been principally on the relation between Britain and the EU, we should consider concurrent

¹¹ In this regard, the collapse of the elaboration and adoption of the proposed Transatlantic Trade and Investment Partnership (TTIP) between the USA and the EU has made the need to choose between the US and EU systems all the more acute.

¹² The term “faction” is used deliberately here. It would be wrong to present the divide within the British ruling class over Brexit *simply* in terms of fractions of capital (e.g., capital in production, finance, commerce, etc.). Arguably, important elements of British finance capital have interests that link them particularly strongly to US capitalism, but other elements have strong connections to activities and interests in the EU, and yet other elements have interests on both sides. Equally, more sophisticated industrial interests may have strong connections with both the USA and the EU, while other industries may be less concerned with either the EU or the USA – and be principally concerned with being able to weaken the position of labour in production for local markets. And, of course, there are interests that might be less immediately concerned with the conditions for the *production* of surplus value and profit than with the conditions for its retention, i.e. reduction of taxation. The *power* of the Brexit issue within the British ruling class reflects the concatenation of the deep interests that it involves: international economic relations; local class relations; and the role and financing of the state. Brexit may, indeed, be Brexit, but Brexit is not just about Britain’s relationship with the EU.

processes and facts. At the same time that the British state sought to play a hard game with the EU over the terms of the divorce: the British Prime Minister(May) was the first major international political figure to visit Trump and congratulate him on his election to the US presidency; against tremendous popular criticism, Trump was invited to make a rare ceremonial State Visit to Britain; discussions have already been initiated about a fast-track bilateral trade and investment agreement between Britain and the USA following the future withdrawal from the EU; and Britain is acting as US proxy against Iran and elsewhere in the Middle East, in defiance of EU attempts to articulate an independent position. In short, the story of wanting to leave the EU to have an *independent* British economic and military policy is contradicted by preparations for a deeper and more comprehensive relation with the USA and its national and global economic systems. If the principal proponents of Brexit refer to Britain's experience in the second world war, then it cannot be far from their minds that Britain's survival depended heavily on the support it received from the USA – long before the USA formally entered the war.

The global emergence of competing international blocs pursuing different and even antagonistic strategies, and the impossibility of Britain being able to pursue an independent international economic and political course, forced a choice – and a more strident thrust towards leaving the relationship with the EU on the part of important *elements* of the British ruling class. However, the Labour Party was opposed to a divorce, if at the same time critical of the EU. Furthermore, even if the parliamentary proponents of leaving the EU had principally been in the Conservative Party, the party of capital and the ruling class, the majority of the Parliamentary Conservative Party had been in favour of the policy of continuing to combine membership of the EU with Britain's special relationship with the USA. The “right” and “left” political establishments were not pro-Brexit. It is clear that if the militant faction of capital wanted to gain control of the situation, it would need to take the extra-parliamentary route. How, then, did the referendum happen at all, and how did “Brexit” come to dominate the British political scene?

The equivocation of the parties of the status quo

The Conservative Party and the Labour Party had controlled the British political agenda since the end of the second world war, and that control included taking Britain into the EU (eventually) and keeping it there, albeit always in the special British arms-length way. Both parties had internal, but different, reservations about the EU, but both parties supported continued qualified and arms-length membership of the EU. As long as, between them, these two parties maintained their overall political management of British parliamentary processes, the prospects of those parts of the ruling class who saw a better future for themselves in an even closer relationship with the USA and its accumulation model remained dim.

However, partly hidden by the British electoral system that favours the large parties in terms of representation, the leadership and the parties were, in fact, *losing* control, albeit not yet at the Parliamentary level. It was fear of that loss of control that made Brexit possible. When Cameron, the leader of the Conservative Party, agreed to propose a referendum in response to the insistent demands of the pro-Brexit minority of members of his own party, it was partly because his party had a small parliamentary majority that could be entirely eliminated by the pro-Brexit group within. As important, however, the leadership's fear of losing the loyalty of a significant number of Conservative voters¹³, who were represented as ready to desert the Party for an apparently single-

¹³ It is likely that UKIP drew considerably more support from Conservative voters than from those of any other party.

issue party (UKIP) with no history and no transparency – as appeared to have been the case on a large scale in the 2015 General Election, when UKIP received over 3.8 million votes (12.6% of the total), replacing the Liberal Democrats as the third most popular party, but secured only one seat in Parliament.

Cameron feared that the position of the pro-EU Conservative Party leaders and the Party as a whole was much less secure than even its weak parliamentary majority would suggest. The new leader of the Labour Party, Corbyn, obviously had similar premonitions. In effect, their management of the EU membership question demonstrated the weakness of the authority of both parties: neither party sought to exercise party discipline in the referendum campaign because neither wished to test the reality of their political leadership in either popular or Parliamentary terms. To the astonishment of all, the Leave option won the referendum.

The majority in favour of Brexit was small, 52% to 48%, in a country where national-level electoral margins have often been tiny, but nonetheless hugely important for changes in government and policy. What is striking is how many voters who had previously voted Conservative also voted against the anti-Brexit position of the Leader of the Party (the then Conservative Prime Minister, Cameron) and the majority of the Parliamentary Conservative Party: little short of two-thirds, 62%. What is also striking is how many voters who had previously voted Labour voted against the anti-Brexit position of the new Leader of the Party (Corbyn) and the majority of the Parliamentary Labour Party: 32% (many, but also many, many less than among Conservative voters). It can be argued that the ambiguity in Party positions makes this a poor measurement of political loyalties, but it can be equally, and possibly even more strongly argued, that it was the feared disloyalty that drove the ambiguity in the party positions. The indisputable fact is, however, that on the Brexit question in the referendum, a majority of the voting¹⁴ electorate as a whole did not follow the leaders of the parties they had voted for in the last election¹⁵. On the other hand, the referendum was not couched in terms of a choice between or among parties

¹⁴ A lesser noted fact of the referendum was that 38% of the electorate did not vote at all. The largest single electoral bloc was the non-voting bloc.

¹⁵ This loss of control by “traditional” political parties of labour and capital in Britain should not come as a surprise. Notwithstanding the story of British exceptionalism, mother of parliaments, tradition, etc., Britain has been subject to the same forces and processes that have led to the complete transformation of the political landscape in Italy and France, to Trump in the USA, to the withering-away of the SPD in Germany, and so on. The restructuring of economic and social life in the advanced capitalist economies creates a demand for new promises and solutions in response to new challenges and new opportunities- as experienced quite differently by diverse capitals and segments of the working population. Unresponsive “traditional” parties have lost some of their authority, creating spaces for new “movements” exploring different approaches and mobilizing new mechanisms of direct communication and influence. Extraordinarily, had it not been for chicanery within the party bureau of the Democratic Party in the United States to exclude Sanders from the Presidential nomination, it might have well come to pass that the candidates of both the Democratic and Republican parties in the last US Presidential election would have been “outsiders” forced upon the parties’ controllers by external “movements”. The recent British experience has not been so very different: Corbyn, the current leader of the British Labour Party, was effectively forced upon the Parliamentary Labour Party in the context of a new opportunity for the mass of party members to choose the party’s leadership. And Johnson’s ascent to the leadership of the Conservative Party and the British Government was clearly impelled by forces outside the Parliamentary party, including the wider (but not very wide) membership of the Conservative Party and, above all, the anticipated response of elements of the Conservative Party’s “traditional” voter base, which it was feared would desert the Party electorally if its new leader took a less committed position on a decisive break with the EU.

This was not part of the “normal” to-and-fro of the British parliamentary system, as subsequent events have demonstrated. Arguably, the global economic restructuring that eventually gave rise to the moment of increased inter-capitalist and inter-imperialist rivalry also gave rise to the inability of the “traditional” post-war parties in Britain to control the response. They were unable either to control the efforts of important factions of capital to redefine national state policies to promote their interests in the new situation or maintain their control over popular forces facing new social and economic challenges and opportunities. In short, the British social experience had changed profoundly, but the parties had not – and the way lay open for rebellious factions of capital to make a new and direct, albeit misleading and duplicitous, appeal to the electorate in a mechanism that, for once, did not stack the odds in favour of the existing large parties, i.e., the referendum.

Framing the British working class

In the context of the fierce hostility, both external and internal to the Party, expressed towards the new leader of the Labour Party and the associated shift of the Party towards a more actively pro-working people position¹⁶, much of the “blame” for the outcome of the referendum has been placed (by anti-Brexit pundits) on the working class, and on the failure of the Labour Party leadership to control it. This is patently absurd: it was a faction of the Parliamentary *Conservative* Party that forced Cameron to agree to the referendum; the co-leader of the Leave campaign (Boris Johnson) was and is a notorious member of the *Conservative* Party (and was subsequently selected as its leader); and the large majority of Brexit voters came from the ranks of *Conservative* voters (including from *Conservative* “working class” voters among whom petty self-employment and occupation of supervisory positions have a very strong representation). In short, in parliament Brexit originated within the ruling class *Conservative* Party and was supported in the referendum by the majority of those who vote for the *Conservative* Party, who also constituted a significant majority of all those who voted for Brexit. Nonetheless, examination of the interests within the ruling class and its broader electoral penumbra¹⁷, i.e., examination of the forces that actually precipitated Brexit, has taken a back-seat to the thesis that everything is attributable to the incompetence of the Labour Party leadership and the irrationality of “its” working class vote.

Brexit was an initiative from within the ruling class, and it gained the larger part of its support in the referendum from those who had voted *Conservative* in the previous Parliamentary election. This is very clear, and it bears frequent repetition. Nonetheless, a minority of those who had voted for the Labour Party in the previous Parliamentary election did vote for Brexit in 2016 against the eventually clear position of the leadership of the traditional “working class” party, and this support made the success of the Brexit proposal in the referendum possible. For some commentators, this suggests that sections of the British working class have broken loose from their “traditional” allegiance to the Labour Party – and are now prey to disruptive nationalist, racist and xenophobic “movements”. For some, this also signifies that the Labour Party should seek its allies in the political “centre” and become the party of humanistic culture, i.e., that it should turn back from its very recent left turn.

From the perspective of political strategy, therefore, it becomes essential to understand who, among previous Labour voters, voted for Leave in the referendum - and why. Of course, nobody actually knows who individually voted for Brexit in the referendum. Thus, most of the discussion about the Brexit referendum is speculative and inferential, and highly open to being shaped by

¹⁶ e.g., the financial recovery of the welfare state, *regulation* of capital and increased taxation of astonishingly asset- and income-rich individuals and corporations

¹⁷ the broader spectrum of medium and small capitalists, the large middle-income stratum of wage labour that exercises day-to-day stewardship of capital in the management of corporations and the state, and a portion of the “ordinary” working population either outside of the proletariat or engaged by capital to directly control labour in the work process on its behalf

political agendas. Polls and “analyses” are not merely “about” politics – they are part of politics. The way they frame questions and attribute motives, at the very least, reflects assumptions about how politics work – and also very often reflect interests in particular political outcomes. The *cui bono* question is always relevant, including in the realm of that most curious oxymoron: “political science”.

Keeping that always and very much in mind, it seems that much of the support for Brexit in the referendum among Labour voters (i.e., the rather clear minority of the Labour voters who actually participated in the referendum) was principally located in the many very depressed industrial towns in England devastated in the extended globalization process unleashed under the initiative and leadership of the ruling classes of the United States and Great Britain in the 1980s. In short, and this is a contraction of the story of the pundits, it is *suggested* that the concentrated economic and social mayhem visited on part of the British working class, including its disarticulation from “classic” economic roles, made it susceptible to a Brexit appeal drawing on themes of victimization and racism, and identifying the EU as the prime cause for the loss of industry and employment, for competition for jobs and housing, and for the decline in access to social services. In response to all this, the Brexit proposal and campaign offered the prospect of an undefined national economic and social policy “free” to respond to national requirements (including dramatic reduction of migration) – as well as more resources to spend on social services (because of saving of resources hitherto “sent to Brussels”). The fact that the Leave option won the referendum is taken as confirmation that a significant part of the British working population is susceptible to manipulation by simplistic and violent nationalistic, racist and xenophobic symbols and arguments, and that to remain “relevant” and to achieve electoral majorities, all political parties must move to incorporate these elements in their platforms – on pain of extinction.

The *cui bono* of such affirmations is clear enough (i.e., they benefit all those who promote a “right” agenda), but are the attributed “native” racism and xenophobia of the working-class margins real, and is it true that they explain the Brexit vote? Or is the story a frame-up? Of course, and to repeat, nobody actually knows if and how anybody else voted in the referendum, and what the basis of the decision was. What we do know, however, is that xenophobia and racism have been part of the official, ruling-class sponsored “culture” of Great Britain for at least 150 years, and that in the time preceding and the years following the Brexit referendum, the popular press, owned by oligarchs domestic and foreign, and entirely supportive of the Brexit initiative, supported the Leave EU campaign with a continuous flood of horror and scare stories about race, terrorism, migration and the “threat” of the EU to British “independence” and common sense.

The same mass, oligarchical press had previously presented the working class itself as the greatest threat to common prosperity – in the guise of “benefit scroungers”. In the run up to the Brexit confrontation, however, the objects of hate and vilification pursued by the press changed – towards foreigners and Europe. Much was subsequently made about the impact of false news and social media manipulation on the referendum. What was not noted, however, was that “false news” is, and always has been, a major part of the *modus operandi* of the British media, and that in its mobilization of fear and hate towards the outside and the racial, religious, etc. *other*, the capitalist owned and controlled media could draw upon a rich and assiduously maintained vein of official racism and nationalism.

From an institutional and everyday practice perspective, the racism of the working class is a hypothesis. What is absolutely not hypothetical is the systematic everyday racism and violence of the British state on the high streets and in the back streets, in the prisons and detention centres. If any British class is racist, xenophobic and violent, it is the British ruling class, whose state instruments of order and control ceaselessly and publicly divide the population in order to rule. The

fundamental divide of class, a divide that runs like an open wound through British society, is denied and displaced in the public discourse and demonstrations of power managed by the ruling class and its state agents – in favour of a discourse that is intended to divide the working class itself: men against women; “black” against “white”; (foreign) Muslim against (native) Christian.

Consequently, while it may be true that, in the context of the build-up to the referendum, racist, xenophobic and nationalist tropes became a significant and much blazoned part of the Leave campaign, this was not necessarily something that the working class was forcing on its rulers. Rather, it can be argued that *it was the ruling class itself that was seeking to frame issues in those terms for the working class*. Time will tell whether extreme xenophobic events and groups represented as rooted in the working class were, indeed, the product of a working class fringe – or whether they, like so much before them, were incited and financed by other class forces to create performances that could be highlighted and amplified by the cheering media as “proof” of a violent popular will so congenial to some of the protagonists of the policy struggle within the ruling class itself.

After nearly two centuries of state sponsored racism and xenophobia in the service of capital and empire, abroad and at home, it is hardly surprising that all classes in Great Britain have at-hand access to a racist and xenophobic toolkit for framing perceived conflicts and crises. The practical significance of these ideological resources for relations within the ranks of working people, and for their politics, is not at all clear, although it must be admitted that it was not the working people of Britain who enslaved, oppressed, tortured and exploited hundreds of millions of “inferiors” in Britain’s empire. That particular palm has to go to the rulers – of the empire and of a parliamentary democracy which conceded the vote to all adult citizens only in 1928, a good 300 years after the establishment of the sovereignty of Parliament. What is worthy of note in terms of the *actions* of working people, however, is what happened in the surprise election of 2017 called by the then Prime Minister, May. Emboldened by the result of the Brexit referendum of the previous year, May prepared for the election by increasing state-sponsored racist violence (the expulsions, the detentions, the surveillance) and by ratcheting up the nationalist rhetoric in the hope of striking a chord among the electorate. The response of the working people was unequivocal. Given a choice between the nationalistic and xenophobic framing by the Conservative Party, on the one hand, and a Labour party still rent by internal opposition to its more radical turn, the Labour Party gained 3.5 million votes. *Quod est demonstrandum?*

So, how can we account for the relative strength of the Brexit vote in the decayed industrial towns and among a segment of the Labour-voting working population? The leader of the Remain campaign, the Conservative Prime Minister, Cameron, had presided over the resumption of the assault on working people’s access to social services (under the banner of “austerity”), and might well have been expected to draw a rejection vote in areas that had suffered particularly heavily from reduction of local public expenditure – just as the tangible representation of the *posh* element of Britain that had done so well while so many others suffered might be expected to have drawn a certain revulsion vote. But the *relative* success of the Leave campaign in those areas can also be quite plausibly portrayed as a reasoned popular response to the particular choice presented in the referendum rather than as an outbreak of atavistic nationalism and xenophobia.

A possible, simple reading of the situation might be that:

- The section of the working-class electorate located in the most economically and socially decayed ex-industrial centres had suffered *extreme* social and economic dislocation;
- Aspects of their challenges were highlighted in the Leave campaign, which provided a frame for understanding those challenges and a possible response - in a way highly congenial to

the plans and interests of the ruling class faction fighting to achieve Brexit at the level of the state, while, of course, hiding those aspects of their Brexit agenda that were rather less congenial to the interests of working people; and

- the power of the mass media (100% behind Brexit) to shape elements of the popular discourse and perceptions relative to the situation of the abandoned working population was amplified by the failure of other interests to address their issues and present an alternative and relevant understanding of causes and solutions. The Conservative Party and the Labour Party (at least until its hotly internally contested “left-turn” under Corbyn), had actually presided over the decay, and had provided no solution or voice for the people left behind in their drive for a New Britain.

It could be argued that a section of the working population responded to a Leave appeal that did not “objectively” reflect its interests, albeit it is not immediately clear from what source any group in Britain could ascertain a concrete sense of where its “objective” interests should lead them – and certainly not from a Remain campaign that was both tepid and un-focused on the very diverse issues confronting the British population¹⁸. However, it was the truth that globalization, including the dimension of globalization articulated within the EU, had, in fact, devastated working class lives, particularly in areas where mass industries ripe for re-development in Asia were located. Arguably, it may have been the truth that the thus marginalized working class was the group in Britain most vulnerable to competition for low-skill jobs, poor housing and social services from the immigration promoted throughout the EU as a means of securing a fresh injection of cheap labour (from its newly integrated Eastern European “South”). Moreover, it was also true that these areas had suffered particularly severely from the deterioration of local level funding for social services.

The particular genius of the Leave campaign was to attribute these challenges to Britain’s membership of the EU – rather than to the British ruling class itself as it promoted capitalist globalization; as it sought to increase the domestic supply of cheap labour without any targeted provisions for the pressure this would put on local employment, housing and services; and as it cut funding to social services in order to accommodate not the demands of the EU budget, but the cost of tax reductions for the capitalist class and the upper servants managing its affairs. The “brilliance” of the Leave campaign’s framing of the experience of a significant minority of the British working population is only *relative*, however, for neither the Conservative Party nor the Labour Party provided a focused alternative view of the experience and the remedy: brilliance by default, as it were. The claim that leaving the EU *would* have a tremendous negative impact on employment, services, etc. must have had a hollow ring for a population that had already suffered precisely that within the EU¹⁹.

Given that Brexit responded to the interests of an important fraction of the ruling class itself, this mystification and displacement in the appeal to “the people” is hardly surprising. No more surprising, in the last analysis, is that the terrain of an alternative framing was left so vacant, given the effective long-term abandonment of the politics and economics of class by the past leadership of “the party of labour” - a party that also had never radically and consistently contested the ruling-class promotion of nationalism and racism as a divisive strategy vis-a-vis working people at home and abroad²⁰. Perhaps the key dimension of the Brexit vote in the decayed industrial areas was not that it necessarily embraced the Leave campaign framing of the historical choice, nor that it was

¹⁹ This surely underlines how the prevailing *expert* approach to economic analysis and punditry has consistently turned its face away from the question of growth for whom, and at whose expense. As Tacitus remarked, “They make a desert and call it peace.”

²⁰ The next General Election promises to be a turning point for the Labour Party, with the prospect of a clear repudiation of the embrace of “immigration controls” that had contaminated its 2017 campaign.

impelled by xenophobia, but that it involved a rejection of the hesitant recommendations of both political parties that had presided over the demise of their communities – with regard to a particular issue that was nowhere presented as a party or class issue.

Arguably, this reveals very little about the intrinsic political inclinations of working people in Britain. Whereas Brexit has been taken by many to represent a whole series of disturbing tendencies among poor people, we would suggest that May's words were right: "Brexit means Brexit". But to that, we would add some words attributed to Sigmund Freud: "Sometimes a cigar is only a cigar." All we really know is that a lot of ordinary people in decaying industrial communities who had voted for the Labour Party in the past voted for Britain to leave the EU – and then, in all probability renewed their vote for the Labour Party in the next election (2017). All the rest of the "knowledge" is based on speculation. We know that many people voted for Brexit, but we do not know that they were motivated by xenophobia, nationalism and the like. All that is something that is attributed to them in a ruling class framing that is profoundly disrespectful of ordinary people.

Much the same could be said of the Conservative (and, why not?) UKIP voters who chose the Leave option in the 2016 referendum, i.e., the principal basis of the Leave "victory". It is true that the Leave campaign wrapped itself in xenophobia, racism and nationalism, but it is also true that more material interests far beyond the particular interests of finance capital were also put on the table. Issues such as deregulation, less government "interference" in business, overcoming inflexibilities hindering the creation of jobs, restoring the prestige of authority, and, of course, reduction of the "burden of taxation" were very thinly coded appeals to the interests of smaller industry far from the cutting edge of international competitiveness, employers of unqualified labour in the services sector, the growing number of the ostensibly self-employed, and those wage-workers charged with (and paid for) exercising direct control over working people at work and elsewhere.

In effect, the Leave campaign played on the material interests of groups "traditionally" represented by the Conservative Party – without the restraints normally experienced by the Conservative Party in pursuit of a broader and enduring balance among diverse accumulation interests, and without any necessity for Leave voters to commit to abandonment of the Party that had provided the umbrella for their interests for so long (and, on balance, so successfully). Clearly, in the context of the Brexit referendum (but not in the General Election of 2017), the ability of leaders of the Conservative Party to roll out its normal crisis management tools of nationalist appeals, etc. was necessarily limited by the nature of the issue itself, and the leaders of the Leave campaign found themselves in the happy position of being able to appropriate and use the ideological tools that the Conservative Party had itself forged – against the *leadership* of that Party (but not against the Party itself). However, the waving of the old war flags of the fictitious communities of the Nation and the People should blind no one to the fact that the Leave campaign addressed particular materials interests, and that it may well have been that appeal, rather than the shaking of the ideological skeletons, that was critical. It is a hypothesis worth exploring.

System change is worth worlds of pain

More than three years have passed since the referendum, and the class nature of the Brexit project has become ever clearer, as has the fact that the principal actors in the public theatre of racism and xenophobia are now the British state itself²¹ - in collaboration with the majority of the *free press*. Realizing that Brexit represents a fundamental distraction from the real issues affecting and undermining the social and economic conditions of working people, Britain's rulers have been keen to present it as they key issue of modern British history, while more quietly and patiently continuing

²¹ In the Home Office and police persecution of the black, ethnic minorities, and the foreign poor (always excepting the rich and the foreign), surveillance of the Moslem community, etc.

the long term strategy of eroding the welfare state through a combination of reduction of funding and the handing-over of public services to contracted capitalists whose sole interest is the maximization of profit and the minimization of costs within a decidedly lax system of public accountability. Moreover, the ruling class *as a whole* seems to have realized the possibility of using Brexit to undermine yet further the residual strength of labour, ensuring that continuation of the employment rights of labour embodied in EU institutions and regulations were not subject to rigorous guarantees²², while protection of the economic interests of the ruling class was. If the deal that May negotiated with the EU was the best deal available in practice, it was the best deal for Britain's rulers: if any concessions had to be made to strengthen the accumulation strategies and prospects of British capital, then they would be made principally at the expense of working people.

In the event, this piecemeal erosion of the position of working people within a politics of May's Brexit compromise (among factions of the ruling class, not between capital and labour) that left Britain still closely linked to the EU, if not precisely within it, proved insufficient for the true ruling class sponsors of Brexit. Their deep commitment to a radically anti-labour (e.g., experimentation with special export zones) and pro-capital (e.g., even further reduced taxes on the rich) domestic policy, combined with deeper engagement with a domestically and globally reactionary USA, has become ever more evident (if not necessarily trumpeted). The overthrow of May by "hard Brexit" forces within the Conservative Party²³ itself signalled their dissatisfaction with a compromise course, reflecting a recognition that it would be inconsistent with the nature of the international alliance options available in a world of sharper inter-capitalist rivalry. Both the USA and EU accumulation strategies involved much closer integration, and neither – and particularly the former – would be served by a very British Brexit that continued to leave it a bit in and a bit out²⁴.

For the ruling-class sponsors of Brexit for whom it represented a key element of their long-term accumulation strategy, the objective was freedom to pursue new economic policies and alliances – and the only means of guaranteeing this freedom in the context of a divided Parliament was a no-deal Brexit over which Parliament effectively had no say. If that involved breaking with the regular political and parliamentary process and discourse, if that involved breaking the Conservative Party itself, and if it involved un-told disruption of the economic and social life of the country, then all of that would still be worth it – in the context of a once-in-a-lifetime opportunity to grasp control of the direction for capital accumulation. Brexit is, indeed, Brexit. Should Britain leave the EU, it would, at last, be out of the EU, its inconvenient regulatory system, its feeble foreign policy, and its anachronistic attachment to industry. Waiting in the wings is the USA, offering the British state a fast-track and multi-tranche trade and investment agreement, an agreement that would be subject to limited parliamentary scrutiny, an agreement that once entered into be very hard to get out of, and an agreement that would go far beyond trade to make privatization of the social and the denigration of labour in Britain a matter of international treaty and independent arbitration. A Brexit process vaunted to make Britain more independent from the EU and its law and policy, is on the

²² Compromise within the ruling class as well as between Britain and the EU. Whatever the actual centrality of the question of Northern Ireland, the May deal involved a bit more of the policy of being in and out at the same time.

²³ It should be recognized that the entire Brexit drama following May's presentation of the disengagement proposal agreed with the EU has been driven by divisions within the party of the ruling class. Given its ability to mobilize a (very small) parliamentary majority, a *united* Conservative party would have ridden roughshod and quickly over the opposition of other parties.

²⁴ Unless, of course, the bits left in could be marginal to core accumulation interests. Thus, for example, Northern Ireland might be left more or less "in", thus depriving an integral element of the *United Kingdom* of the proclaimed benefits of being "out", sacrificing national unity on the altar of higher interests – with the possibility of intriguing repercussions for the case of Scotland, which might well be encouraged to pursue its own *special relationship* with the EU.

point of handing over the country gagged and bound to the USA. The biblical story of Esau might be reflected on here.

None of this is evident to the vast majority of the British population – yet. The issue of the relation to the USA is trivialized to the level of the importation of chlorinated chicken, and whether it is “safe” to eat. The EU is portrayed as threatening Britain, and Brexit itself is represented as a defence on the level of the myth of “Dunkirk” (another example of the folly of trusting continental “allies”). The disruption of commerce with Britain’s major industrial and consumer suppliers is shrugged off as a mere temporary and exaggerated inconvenience. And the last days are presided over by insouciant, and careless caricature figures of the ruling class intent on displacing and obscuring the real political and economic dimensions of Brexit in favour of a Punch and Judy show (with a bevy of Etonians claiming to represent the people against their own elected representatives). Whether this crazed pantomime will succeed was not clear by mid-September. What was clear is that the situation had been poisoned and fogged not by the people, but by the state, by its owners, and by all means of mass communication. In this context, the rush to get Brexit done is quite understandable: *the show has to finish before the audience awakens to the fact that it is all an illusion, that it is not the EU’s head on the block, but their own.*

Arguably, none of this reflects the commitments and understandings of the British working class and the future of British politics. It says worlds, however, about the casual and casuistic approach of the British ruling class to its treasured icons of Parliamentary democracy, a free press, and the like. This should come as no surprise to anyone with a passing knowledge of British history – at home and abroad. What is more surprising, against the background of the hysteria about the rise of populism, racism and xenophobia, is how *fragile* it all seems. Part of the British ruling class want to execute a sort of coup to achieve their Brexit, and this surely must be indicative of a lack of confidence in their ability to generate and maintain popular support at the ballot box – a lack of confidence betrayed in “promises” to end austerity. They are right to be worried. They remember that for all the talk about disloyalty, new movements and populism, in the 2017 election that followed the referendum the Labour Party, with a new and more radical agenda, added millions of voters. The British working class has not fallen prey to public racism and xenophobia yet, and those jumping on the train to the right might want to hedge their bets by investing in a return ticket.

Bigger fish than Brexit

Globalization and the re-emergence of acute inter-imperialist rivalries promoted by capital are processes shaping the conditions of working people everywhere. In their attempt to defend their own accumulation interests, different factions and groups within the capitalist ruling class are fighting among themselves to ensure state support for the creation of the conditions supportive of their particular interests – while also, of course, maintaining control over working people at home and abroad. In parliamentary democracies, achieving and maintaining control over state policy and action requires a certain level of public support as expressed in voting. It is the attempt by previously subordinate fractions of the ruling class to seize control of the state that lies at the heart of the phenomenon of “populism” – it is the product of a struggle within the ruling class, the resolution of which requires mobilization of working people in electoral politics.

Precisely because this is a project of fractions of the ruling class to pursue their own interests, their appeal to the working class (i.e., the entire population constrained to work for capital – minus those elements of the property-less who receive special privileges from capital for playing key roles in the management of the rest of the working class) cannot be phrased in terms of class interest, least of all in terms of the class interests of workers, given that any capitalist initiative must involve raising the exploitation of labour and reduction of social expenditure on them. The result is recourse to old

symbols of nation and race – of belonging to them, and of the threats to them. Their problem in pursuing this course is that these symbols are already used extensively by the factions of capital whose control of the state is being contested. Capitalist classes everywhere have cultivated and used nationalist, xenophobic and racist symbols to divide and rule working people, particularly at moments of acute inter-imperialist rivalry. Given the time required to articulate and inculcate a new ideology, and the impossibility of using the unvarnished truth, the only option available to the disrupters is exaggeration of the enemy without and within. There is absolutely nothing new in the racist and xenophobic elements in the populist repertoire – rather than challenge the public ideology of the dominant fractions of capital, the insurgent fractions pay it all the flattery of repetition, albeit more shrilly. If the previously dominant fractions of capital find their position threatened by this, they are being wounded by a weapon they themselves have forged.

While all countries are involved in the emerging crisis of globalization in the form of acute inter-imperialist rivalries, the precise bone of contention among fractions of capital varies from country to country according to the particular local configurations of capital and its fractions. In Britain, the major issue facing the capitalist class is whom to ally with internationally in the context of growing rivalries and conflict. The insurgent fraction of capital finds an economic and political alliance with the ruling class of the USA more congenial – and developments within the USA and EU (i.e., their responses to global challenges) dictates that the alliance should be made much sooner than later. Brexit is not about a popular insurgency, it is about a conflict within the ruling class – and the symbols used by the capitalist insurgents are those used by Britain's ruling class and its mass media whenever it has faced a difficult internal and external challenge (e.g. dragooning the youth of the working class to be slaughtered in Britain's imperialist wars). A decisive Brexit will be consequential for working people in Britain, but it is, after all, only a change in the pattern of inter-capitalist economic relations and, possibly, a sharpening (but not the creation) of the attack on their economic, social and political conditions. Being in the EU is no guarantee of workers' rights or conditions of life, and the next recession will surely involve a "recovery" that will embody yet further challenges to the global organization of production and the state – and, perhaps, to an increasingly precarious peace between the USA and its principal global contender, China.

A key issue for everyone engaged in finding a way out of a world of domination by capital and its path to ever deeper destruction and conflict is the political position of working people everywhere, for only they have an interest in creating a truly new order. In the opinion of some, pessimism is in order: the working class of the countries newly dominated by capital and globalization is quiescent; and the traditional compact working class of the "old" capitalist countries has been dissolved, to be replaced by a fragmented mass of workers prey to "populist rhetoric". There are, however, other ways of assessing the global situation. The working class in China is still very "young", but there are unparalleled conditions for the development of class awareness and class action. In the globalization process, capital dramatically weakened the great historic centres of working-class organization and politics in Europe and North America, only to re-establish them at a gigantic scale in China. The conditions are being established for future struggle on a titanic scale – and it is this that has led the Chinese ruling class to develop its grim obsession with controlling every dimension of the lives of the Chinese people. While the key overt conflict of imperialism today may be inter-capitalist rivalry in the carve-up of global surplus value, the same underlying dynamic will eventually make the Chinese ruling class come to some sort of historic compromise with Chinese labour, a compromise that will affect accumulation and class relations not just in China, but everywhere. What haunts the imagination of the Chinese ruling class is not just Tiananmen Square, but the Cultural Revolution – not the first and probably not the last mass uprising against oppression and exploitation in China's history.

Whereas the newly capitalist countries of Asia have the potential to become important new centres of class contestation, in the “old” capitalist centres previous working-class patterns of mass work and life have changed dramatically and they will not return. Neither will the “old” class politics, whose reformism was never able to challenge the ruling class’s globalization project and its consequences. If most pro- and anti-Brexit pundits in Britain have a common ground, it is surely that the working class has become an unstable element, open to “capture” by atavistic ideological appeals. Given the domination of the media by the scions of capital and its upper servants, a certain susceptibility of the denigration of the working class might be anticipated²⁵, but the repetition of a trope does not make it true.

The evidence that the British working class has been deeply swayed by the racist and xenophobic rhetoric of the ruling class is fragile, but there is some evidence that segments can be moved by groups making new claims to address the objective economic plight of particular segments – with or without “populist” tropes. In part, this susceptibility reflects the fact that the structure of the working class has changed, and that the political discourse of the established parties has not, or not enough. One of the key dimensions of Fordism as a ground for working class cohesion and the consolidation of one major party as its political representative was the conjoint massification and homogenization of work²⁶ in a context of full employment, thus providing a relatively common platform of experience and interest for any party seeking a mass base among (even if not fully for) working people. It is very evident that this conjuncture has passed with the demise of Fordist production systems in the “old” capitalist centres, giving rise to much more fragmented and differentiated working class lives. It is also evident that in the context of a truly global capitalist system of production, the reorganization of production over space and time becomes more rapid and dramatic as competing capitals seek conditions for necessarily temporary advantage in capturing profit from the social mass of surplus value. The issue is not one of politics in a post-class world, but of politics that responds to the new forms and configurations of class relations that capitalist dynamics constantly generate and accelerate.

The key issue of “populism” is, perhaps, not one of susceptibility to the classic tropes of the bourgeoisie as it works out its internecine struggles – susceptibility that, to the extent it exists, may be concentrated in those sections of the working people engaged in direct supervision of other working people – on behalf of capital. The key issue may be the absence of a clearly articulated socialist diagnosis and response to the very diverse conditions of working people – who, as the recent florescence of “leftist” currents in Anglo-Saxon political life suggests, are certainly not uniformly prey to nationalism, xenophobia, etc.. Whether this can be provided by the established mass parties to which the working class has given support since the second world war is not at all clear. For them, significant change will mean not only combatting and overcoming the onslaught of the state, the media, the education system, etc., but also overcoming their *internal* bourgeois elements and, far from least, abandoning a language and a practice of social framing that abolishes class as a critical dimension of economic, political and social life in favour of, at best, imprecise euphemisms and moral outrage. It is clear that the struggle continues, and good luck, but is possible that the effort to produce a *socialist* parliamentarianism is doomed to failure, and that while pressures to restrict effective suffrage (huge numbers of working people are not properly registered as electors in the United States and Europe, and the ruling class seeks an extension of this de facto exclusion) must be resisted, an effective pursuit of the end of the tyranny of capital requires different means.

²⁵ In a context in which “meritocracy” has become the modern and secular theodicy of good fortune, it seems inevitable that the privileged would feel it acceptable and, indeed, necessary to consider the mass of working people as, somehow, intellectually and morally *less*.

²⁶ As distinct, for example, for the elaborate hierarchies of craft and control that had characterized earlier forms of organization of capitalist work.

Whether a radicalized Labour Party In Britain will be a short-term answer to the need for a new approach for the working class lies in the balance, but it seems unlikely that any party that respects the primacy of private property in economic life will be able to resist the economic demands and blackmail of capital in the globalized context made by capital to improve its political and economic leverage . Parliamentary systems set up by the bourgeoisie are ill-equipped to provide an avenue to eliminate the power of the bourgeoisie – and any attempt to follow that route is likely to find itself blocked by the mechanisms of the state itself as well as by capitalist “strikes” and economic paralysis. Thus, while it may be true that the political ascension of an even more aggressive fraction of the capitalist class might be blocked (perhaps only temporarily) through parliamentary means, the power of capital cannot. Social democracy was adept at spreading some of the wealth to working people when rapid increases in productivity allowed for increases in both profits and the material incomes of working people in the great centres of capitalist production. It has been much less successful in defending working- class interests in a situation of general capitalist counter-offensive backed up by the threat of re-locating capital elsewhere.

The good news is that there is no real indication that the mass of working people are moved by xenophobia and racism, and there are reasons to believe that the defection by some from the traditional parties of the left expresses not an embrace of nationalism, etc as much as a failure of those parties to focus on, and respond to, the new predicaments of working people engendered by capitalist “development”. The bad news is that hard times require hard responses that are capable of clearly analysing class interests and dynamics, that are not limited to parliamentary spaces and do not expect state institutions to remain neutral in the class struggle that will be different from previous forms. In a union of the public and private power of capital, the entire weight of the state is thrown against the emergence of such responses – suggesting, perhaps, that the true moment of resistance is the moment of the internal, disorganizing crises of capital. Brexit is not such a crisis of capital. The coming crisis of inter-imperialist rivalry, however, might be.