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Barrelling towards the 'Brexit' cliff edge

The most frightening thing is not the UK government's end-game strategy, Paul Mason writes. It's that there isn't one

In a few days time, the British prime minister, Boris Johnson, will emerge from the Brexit negotiations with the European Union with a 'thin' deal or no deal. I don't think it matters to him which one. Nor do I think he has decided. The outcomes are not very different.

Either way, the United Kingdom erects customs borders with the biggest free-trade area in the world and turns its back on a geopolitical partner, at a time when that partner is set on pursuing its own strategic autonomy. The only difference is whether it does so with a bang or a whimper.

The sacking of Dominic Cummings, Johnson's key adviser, altered the dynamics of Downing Street: Cummings embodied the brinkmanship of saying no to all EU requests, in terms of market competition, for a 'level playing-field' and a mechanism for its oversight. But I don't think his departure has changed the negotiating stance.

The Treasury has projected that, in the case of a goods-only deal, the UK takes an economic hit equivalent to knocking 4.9 per cent off gross domestic product over 15 years. In the case of no deal, that rises to 7.7 per cent over the same period. By contrast, Covid-19 has knocked 9.7 per cent off GDP in less than 12 months.

Revelling in crisis

The lateness of the hour means that, even with a deal, there will be disruption from 1 January. Without a deal the disruption will be bigger, but Johnson revels in crisis. His first act as prime minister was to suspend Parliament after the summer of 2020 until reined in by the judiciary. His second was to announce a snap election in December and his third was to render chaotic the UK's anti-pandemic strategy in the spring.

It is impossible to know for sure, but all the government's behaviour to date suggests it is prepared to go to the wire of no deal in the hope that the EU caves in at the final moment, offering market access on lop-sided terms favourable to the UK.

David Frost, the equally hardline negotiating chief, threatened to resign alongside Cummings, but did not. Few are privy to what was said in the face-to-face meeting where Johnson persuaded him to stay, but logically it must have been 'stick to the negotiating stance' — which is not to care about the outcome.

Reading Britain's tabloid newspapers, which in the absence of information reflect the wishful thinking of elderly xenophobes, it's pretty clear that many of those who voted for Brexit do not care either. 'Barnier dripping with sweat as Brexit negotiations reach breaking point,' said the front page of the *Daily Express*, implying that Britain's negotiators had been so tough that Europe was about to 'crack' and concede on everything.

No clear objective

If the Conservative government and its mass voting base seem insouciant about the outcome of this critical moment it is because, in truth, they no longer have a clear strategic objective.

The objective was clear in 2018. Leave the EU and become a free-floating 'global Britain' in a world economy recovering from the financial crisis, in which the opportunities to trade with the 'Anglosphere', China and India would massively outweigh the opportunities lost in Europe. In any case the losses would be few: Johnson's predecessor, Theresa May, secured cabinet agreement in July that year to a plan for friction-free trade in return for the level playing-field.

By seizing control of the party a year later, and purging its liberal-conservative cadre, Johnson radically altered the strategic vision. Here was 'Britain Trump' (sic) joining an Atlantic trading bloc, an ally of and military outpost for the United States in the emergent system of great-power politics — and still a buccaneering, neo-mercantilist power in its own right. That was the vision Johnson outlined at Britain's 18th-century naval college in February this year, nonchalantly declaring that he would not let over-reaction to the coronavirus knock him off course.

Seriously disorientated

But Covid-19 seriously disorientated the UK government. It floundered in every operational respect. Behind the floundering, an altered vision emerged, embodied in the axis of Cummings and Michael Gove, a key figure in the Leave campaign whom Johnson appointed to the core position of minister for the Cabinet Office this year.

In a speech in July, Gove went a long way towards accepting the left's critique of neoliberalism. In sum he said it had failed to deliver to low-skilled and poorly-qualified people, who had in revolt switched to right-wing populist parties and a radicalised left.

Citing Antonio Gramsci's famous thesis that in an interregnum between old and new social orders 'morbid symptoms' appear — and so the fascism that had made him prisoner — Gove said: 'Now our age is not the 1930s. But it is an age of morbid symptoms. The model that the current generation of political leaders inherited has been crumbling.'

Invoking Franklin Delano Roosevelt, he pledged that a post-Brexit Britain would deliver above all to the low-skilled, do much more government intervention and 'empower reformers'. Meantime, however, a coterie of entrepreneurs chosen by their connections rather than their competence was 'empowered' to exploit the Covid-19 crisis in a series of uncompetitive contract awards — while Cummings was left to redesign the military and the civil service from scratch.

Dirigiste vision

Cummings' post-Brexit vision was of a *dirigiste* conservatism, freed from state-aid constraints to 'pick winners' among Britain's tech, space and biotech sectors, in order to build a UK-based 'trillion-dollar company', which could give it status in the mid-21st century. But nobody bothered communicating this to the electorate. And then Cummings resigned.

Behind all the personality clashes lay the strategic problem: 'One does not simply walk into Mordor.' The UK government cannot snap its fingers and reverse out of the low-road, 'free-market' economic model it has been building since the years of Margaret Thatcher. If there is no British big-tech company that's because for four decades people with maths degrees were diverted into financial speculation and 'entrepreneurs' were people who opened low-value pub chains or sold Vietnamese-made lingerie.

The left — by which I

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British-owned automobile brand that is because they were all sold. DeepMind, which probably could become a trillion-dollar company in this century, sits on its own separate floor in Google's London HQ — again because it was sold.

And then came Joe Biden's victory in the US presidential election. The political circles around Gove and Cummings were well connected with those around Donald Trump. They must have believed, as he did, that the polls were wrong and that a mixture of turnout and electoral manipulation would keep Trump in the White House. If they did not believe that, why would they antagonise the EU and the Biden team with an Internal Market Bill (on the post-Brexit governance of the UK's 'single market') containing an explicit threat to break international law?

UK marooned

The upshot is that, deal or no deal, the UK is marooned in a new geopolitical reality. The world is deglobalizing — maybe not catastrophically so, as in the 1930s, but who knows?

The US will continue its decline as a strategic power. China will rise, dominating the newly-formed Regional Comprehensive Economic Partnership trading bloc of 15 countries. And the EU will pursue the twin goals of technological sovereignty and strategic autonomy.

Where does the UK fit with this emergent order? It is a good, long-term bet that the US becomes more isolationist and produces another Trump. If the Tories still thought, as Leon Trotsky once wrote, in terms of 'centuries and continents' they might sit out the Biden presidency and attempt a strategic trade deal with a Republican administration after 2024. But for now there is simply drift.

The Tories don't really do 'grand strategy' and have not needed to in the past. Sitting at the edge of the EU, playing Perfidious Albion on social rights but taking the financial upside, was a bit like being the croupier in a casino: the house always won, even if only a bit.

Big thinking

From now on it is the progressive wing of British politics that must do big thinking and its strategy should be clear. The EU will emerge in the mid-21st century as a sovereign power with strategic autonomy. You either stop it doing so or you adhere to it—even if only as a satellite.

The left — by which I mean the majority of voters whose allegiance is currently split among liberalism, social democracy, the greens and progressive nationalism — must align on an orientation to the EU. It means seeking strategically a different trade deal or, in the case of no deal, a comprehensive Norway-style arrangement with the EU.

At present nobody on the left — its fragmented nature giving Johnson his big Westminster majority under first-past-the-post voting — wants to think in these terms. Labour is terrified that its lost 'red wall' seats in northern England will never come back. The Scottish National Party is savouring the possibility of a second independence referendum, as the polls show support rising north of the border. Sinn Féin has wanted all of Ireland out of the UK forever. And while the Liberal Democrats are reorientating left, they have lost confidence since their hubristic failure last December.

Yet large parts of business, academia, the intelligentsia and the youth understand that a Europe-oriented future is necessary. So there is political stasis. Nobody is thinking strategically — and the cliff edge is approaching.

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