

BREXIT AND DISINTEGRATIVE TENDENCIES AFFECTING THE EU

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BREXIT AND THE CAUSES OF EUROPEAN DISINTEGRATION

- The 2016 decision to exit the EU stemmed from grievances and protests not unique to the UK (e.g. inequalities, austerity).
- To explain Brexit, we need to specify relevant relations, mechanisms and processes in a geohistorical context:
 - a world-historical movement of re-constructing predictable and stable self-regulating markets through building binding supranational legal frameworks (including those of the EU)
 - internal relations between neoliberalisation and the rise of nationalist-authoritarian populism
 - causal flows from economic troubles caused by contradictions, deindustrialization etc to resentment and emotional distancing feeding nationalist-populist tendencies



WORLD-HISTORICAL CONTEXT

- The original Bretton Woods system was developed when the world economy was disintegrated and the US accounted for half of the world GDP.
- The US was bound to become a deficit country eventually—this happened already in 1957.
- Re-liberalization and re-integration entailed an increasing discrepancy between territorial states and spaces of globalising economy.
- In the 1960s, actors started to exploit this discrepancy in the struggles over income distribution and power
 - e.g. the first tax havens were established in connection with the City of London, soon exploited by some wealthy individuals and multinational corporations
- Especially since Spring 1979, the UK has been active party in the process that has deepened the discrepancy and the asymmetry of power relations across the world → boosting the project of “market globalism” written also into the 1992 Maastricht Treaty.



Increasing dependence on markets – in market society, integration is based on price and social world is devoid of value and meaning – a typical response: "family" (literally & metaphorically)

CONSTITUTIVE EFFECTS

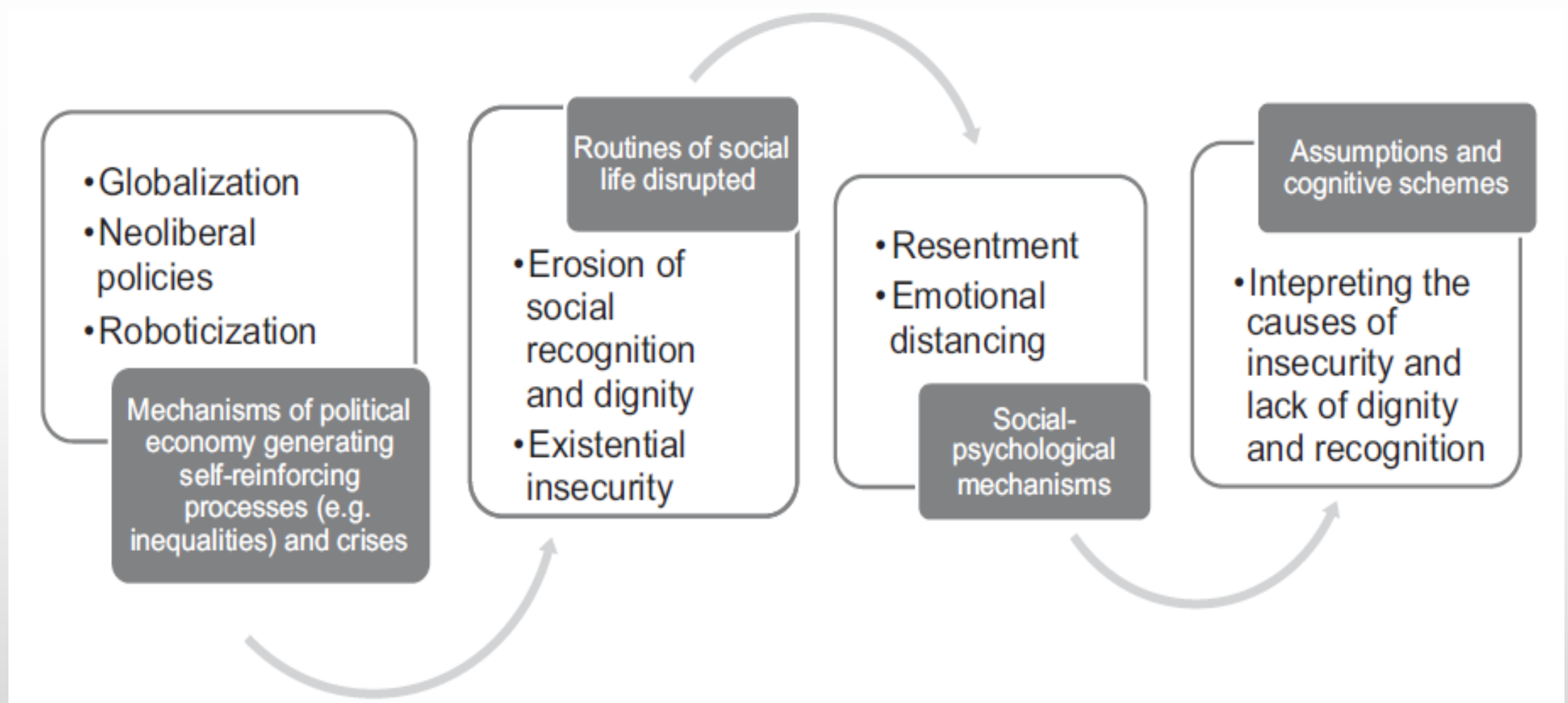
- Neoliberalism has succeeded in transforming social contexts in terms of agency, practices and institutions.
- Shift toward individualized responsibility and private competitive markets, though in the real world of power relations the implementation tends to be selective → large private organizations and concentrations of wealth and power are largely exempted.
- Changes have re-constitutive effects:
 1. Many things from services to the atmosphere are commodified
 2. Intrinsic value and professional ethics are replaced by extrinsic value, incentives and self-regarding calculative orientation
 - ❑ market-like incentive structures within organizations are compatible with steep hierarchies and require extensive systems of surveillance and auditing
 3. Many achievements in areas that were previously considered private in a non-market sense (i.e. 'personal') have now potential market value as part of 'portfolio of self-investments'
 4. Consumers and customers replace voters, citizens and students
 5. While political parties may appear unchanged, in effect they become 'post-democratic'
 - ❑ activism declines as party leaders and candidates try to reach voters primarily through commercialised media



CAUSAL EFFECTS: CRISES, INEQUALITIES, UNCERTAINTIES

- Wider context: slowing down of economic growth in the OECD area & uneven growth in the world economy
 - processes of uneven growth in the world economy involve both virtuous and vicious circles of cumulative causation
 - e.g. Kaldor-Verdoorn's effect (output and productivity growth)
 - deindustrialisation and the global relocation of industrial production shape dynamics through different glocalities
 - OECD area: the combination of growing inequality and processes of financialization, involving cumulative and circular causation, co-explain the declining rates of growth
 - uneven developments occurs also *among subnational regions*
- Potential for financial volatility and increasing amplitude in economic oscillations has increased significantly and, as a result of globalisation, become more synchronised globally.
- “Structural reforms” to improve employment: attacks against trade unions, labour market discipline coupled with labour market flexibilisation or “flexicurity” → uncertainty ↑.

Developments, social (psychological) mechanisms and cognitive schemes



A two-phase causal mechanism leading to securitisation and other-blaming

PHASE 1: economic downturn, uncertainty and/or crisis
--> threatened identities, pathologies of socialisation

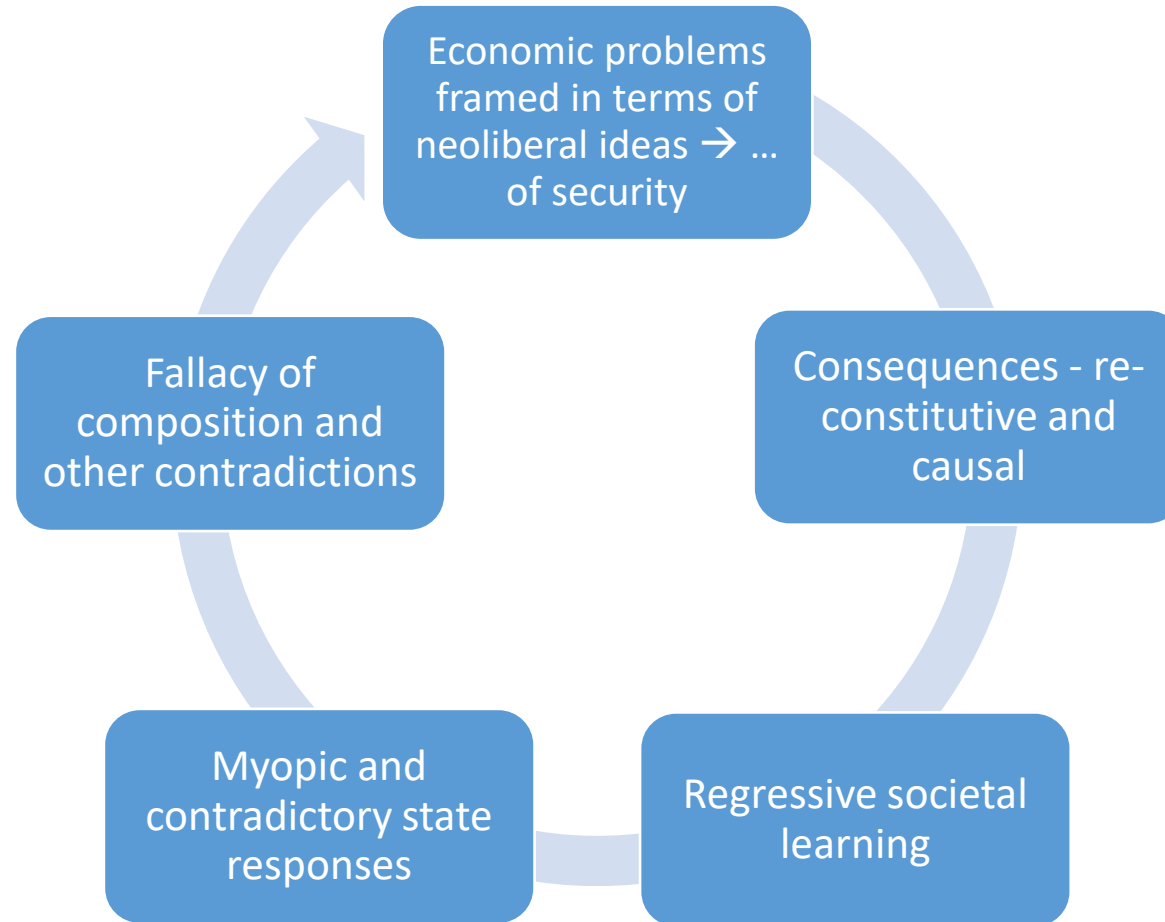


existential insecurity & proclivity for resentment
and emotional distancing



PHASE 2: securitisation --> othering &
enemy-construction --> demand for
exclusions and other exceptional measures

How the complex plays out in the field of interstate relations (economic foreign policy)





Over time, the process can lead to **weaponisation of interdependence, arms race, and possibly war**



THE UK FROM A STRUCTURAL POINT OF VIEW

- The UK has been involved in these developments longer and more deeply than most OECD countries.
- When Thatcher was elected 1979, manufacturing accounted for almost 30% of Britain's national income and employed 6.8 million people; by 2016, it accounted for just 10% of national income and employed 2.7 million.
- Income inequalities in the UK rose until the early 2000s and have remained at a relatively high level since then; wealth inequalities started to rise in the 1990s and after a period of stability, continue to rise.
- The wealthy parts of Greater London, the South East region and the thriving parts of urban areas elsewhere have prospered, while many rural areas and former industrial sites have been impoverished.

Ethico-political alternatives in EU politics

	Left-orientation (cooperation, solidarity; freedom and efficiency require socio-economic equality)	Right-orientation (competition, private markets; freedom and efficiency require socio-economic differences)
National orientation ('we' = ethnic nation or citizens of a sovereign state)	National welfare-state and democracy 	National determination of competitiveness and policies of inclusion / exclusion
Cosmopolitan orientation ('we' = humanity or world citizens)	Global (or European) Keynesianism, social justice and democracy	Global (or European) free markets and free movement of all things, coupled with common institutions such as money 



GLOBAL STORM WARNING (ORIGINALLY FORMULATED IN 2007 AND 2017)

- Applied globally, this analysis implies a real and increasingly likely possibility of a global military catastrophe.
- Even if the worst-case scenario is not realized, the storm evoked by disintegrative tendencies in the global political economy will cause many troubles, crises, and at least limited wars.
- It is vital, however, to formulate this warning in a self-critical manner.
- Experts driven by simple theories and ideologies are usually not very good at anticipating the future.
- A further problem is that alarmism can become a self-fulfilling prophecy.
- Moreover, the world is contradictory; trends point in different directions.



EUROPEAN STORM WARNING

- The mechanisms, forces, and tendencies that led to hard-right Brexit remain powerful in 2022.
- The Covid-19 crisis has further exacerbated some of the underlying tendencies for instance through increasing inequalities and triggering nationalist responses, including by the EU and its members.
- The unconventional monetary policies of the ECB and lifting of the convergence criteria have improved the situation temporarily, but the EU treaty and institutions of the EU remain intact and further trouble lies ahead.
- A second possibility (“scenario 2”): consolidation of the EU via the escalating conflict with Russia, constant ‘state of emergency, competition with China and India, etc.
 - attempts to shift the “national” determination of competitiveness and policies of inclusion / exclusion to the EU level (→ European nationalism, even militarism)
- Countertendencies: crises, inequalities, and uncertainties stimulating conventional nationalist and authoritarian populisms in Italy, France, Sweden, etc.

CONCLUSIONS

- The EU continues to "sleepwalk" towards further disintegration – if not outright catastrophe
 - new era of stagflation – new round of austerity?
 - foreign capital is already fleeing poorer countries...
- Ten years after Mario Draghi's "whatever it takes", Italy led by Draghi is again in the middle of a debt crisis
 - no growth since 2007 – rather decline of GDP...
 - however, fear of response by investors → "Italy's right-wing parties are poised to abandon anti-EU politics"
 - nationalist-authoritarian populism continues its tightrope walk between globalizing neoliberalism and traditionalist values & exclusionary proto-fascism
- The scenario about a disciplinary and militarised EU has become more likely, as mutually supportive circumstances are now coinciding and coalescing
 - this may happen especially if a Republican candidate wins the November 2024 US Presidential Elections
- The emerging Union may involve military Keynesianism → might work better than the current EU, but its legitimation basis would be internally shaky and externally dangerous.
- The EU would then be on par with the US, Russia and China, a military "great" power in the global insecurity community.