

The Endless Brexit Crisis: Interview with Neil Davidson

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The British political system has been thrown into turmoil since the summer of 2016, when a narrow majority of voters supported a referendum in favor of Britain leaving the European Union (EU). The Conservative Party government headed by Prime Minister Theresa May has been negotiating with the EU over the terms of “Brexit” since March 2017, when Article 50 of the Lisbon Treaty was triggered, giving the UK two years to leave.

While May reached an agreement with the EU, she failed to get it approved by her fellow Tories, let alone Parliament, despite three attempts. After a couple of short extensions on the deadline for getting it passed, the EU has now granted a delay until October 31. But it is not at all clear that May will be able to reach a deal with her party and the Democratic Unionist Party—the Northern Irish loyalists whose support she relies on to stay in office.

This crisis has thrown Britain’s major political parties into deep turmoil. May is, for all intents and purposes, a zombie prime minister who faces a revolt from within the Conservatives and who could easily be toppled and replaced with a new party leader. The Labour Party has also been deeply divided by Brexit; its Eurosceptic leader Jeremy Corbyn has tried to balance between those who support remaining in the EU, both in Parliament and among Labour’s membership, and others who support leaving.

As a result, British politics and indeed the British state and capitalism are trapped in a deep crisis with no end in sight. Ashley Smith here interviews Neil Davidson about the roots, politics, and trajectory of the battle over Brexit. Davidson is a member of Revolutionary Socialism in the Twenty-first Century across the UK, and RISE — Scotland’s Left Alliance, and is the author of numerous books, including *How Revolutionary Were the Bourgeois Revolutions?* (Haymarket, 2012) and *We Cannot Escape History: States and Revolutions* (Haymarket, 2015).

Ashley Smith: The EU just gave a long extension to Brexit negotiations until Halloween to give the British government time to come up with an agreement and pass it in Parliament. Why did this happen and what will be the impact of the long delay?

Neil Davidson: The first reason for the delay is the failure of Theresa May and Parliament to vote in favor of any plan. The EU is itself divided between hards and softs. The six-month extension is a compromise between the two—between Germany’s leader Angela Merkel, who is willing to allow an even longer time to negotiate some kind of resolution and France’s leader Emanuel Macron, who is much more impatient to force a conclusion to the crisis over Brexit.

No one in the EU wants a hard Brexit or no-deal Brexit. At the same time Germany and France, who really run the EU, want to make sure that Britain does not set a precedent that leads other countries to leave. So, they want a deal that is painful but not so painful as to damage the economies of EU members themselves.

They hope to sort out a deal like “Norway Plus,” which would allow Britain to remain in the Customs Union but have no power in decision-making over the EU. Basically, they gave Britain the extension time to sort themselves out, agree on a deal, and pass it through Parliament. But, because of the deep divisions within both the Tory and Labour parties, I don’t think that they will be able to resolve the crisis by Halloween.

AS: A lot of people, even on the left, think the EU is a progressive formation. What was the EU set up to do, and what is its nature?

ND: The EU developed over many decades since the end of World War II. (I’m just going to call it the EU regardless of earlier forms and names it took.) It was set up for four reasons. First, France wanted to avoid another war with Germany like the three they had fought over the previous seventy years. They wanted to establish rules that would separate economic competition from geopolitical and military competition. That’s the element of truth in the idea that the EU has kept peace since 1945.

Second, the United States wanted the EU established as a political and economic complement to the NATO military alliance. This fact should demonstrate that the EU was never an alternative to the United States. In fact, Washington helped set it up to bind Europe together economically and to integrate it with the United States as opposed to with Russia and its satellites in Eastern Europe. It was part of Washington’s Cold War imperial project.

Third, the EU was designed to avoid protectionism within Europe. The United States, Germany, and France thought such limitations on trade were one of the causes of the Great Depression. So, from the very beginning, free trade and globalization were immanent dynamics in the EU.

Fourth, the EU took shape during the postwar boom—the greatest boom in capitalist history—when capital needed outlets for investment beyond the boundaries of individual states at a time when decolonization meant that this was no longer possible across the Global South in the way it had been before 1945. The EU provided a mechanism for that to take place within Western Europe itself.

Given the illusions many on the left have about the EU, it’s ironic that its structure corresponds quite closely to the model of “interstate federalism” devised by Frederick Von Hayek in 1939. Hayek, in many ways the intellectual forerunner of neoliberalism, proposed that economic activity in a federal Europe should be governed by a set of nonnegotiable rules presided over by a group of unelected bureaucrats, without any elected governments and irrational voters getting in the way.

That’s how the EU is actually structured. The institutions that are least democratic—like the European Commission, the European Council, the Central Bank, and the Court of Justice—have the most power, while those that are at least nominally democratic—like the European Parliament—have the least.

Thus, at its core, it's a totally undemocratic institution. It's more undemocratic than any of the nation-states that compose it, including Britain. It was designed to prevent social democrats from infringing on the logic of capital in Europe. Its structures make it almost impossible for left-wing reformists like Jeremy Corbyn to implement his program in the EU.

Over time the EU has also become a thoroughly neoliberal institution. After the end of the postwar boom in the 1970s, it eliminated whatever space was open for Keynesian policies, adopted neoliberalism, and enshrined it in the 1992 Maastricht Treaty. This makes a program of "reform from within" all but impossible today.

With the EU expansion after the end of the Cold War, it went on to establish a highly unequal set of relations between member states. Germany stands at the top, with France, Britain, and Italy below it and in that order. These states dominate the weaker ones like Greece, Portugal, and all those in Eastern Europe. The crisis exposed these structural inequalities. Germany imposed austerity measures on weaker states and their economies, throwing countries like Greece into depressions.

There are many other features of the EU that prove its reactionary nature. It is a deeply racist formation. Just look at how it bars refugees from entry, leaving them to drown by the thousands in the Mediterranean. And in many ways, especially in its economic relationship with the Global South, it is an imperialist power in its own right.

Thus, the EU is a capitalist institution that's neither democratic nor progressive. It has some basic rules like workers' rights and environmental rights, but they are usually minimal and often weaker than those of individual member states. And its weaker rules on these questions are used to erode stronger ones in more social democratic member states.

AS: What has been the majority viewpoint among the British capitalist class on membership in the EU?

ND: British capitalists on the whole have always been in favor of the EU. They saw it as a replacement for their colonies, which they had used as key sites for investment. After they lost those, they turned to the EU as a new site for investment and trade. British capital remains in favor of remaining in the EU today.

There are two exceptions to this rule at the opposite extremes of that capitalist class. First, many among the smaller capitalists, shading into the petty bourgeoisie proper, support Brexit. They do so because they are negatively impacted by the EU regulations on health and safety, maternity leave, and so on, which they can least afford. These form part of the base of the United Kingdom Independence Party (UKIP) and the Tory Brexiteers.

Second, some large financial capitalists also support Brexit. They tend not to be based in the City of London nor are they oriented toward investment in the EU. Instead they are oriented toward Asia, the United States, and the Middle East and don't see the importance of the EU. But these two extremes are dissident wings of the capitalist class. Most of the core of British capital in finance, manufacturing, and service want to remain in the EU.

AS: Why then did the Tory Party, the traditional party of capital in Britain, opt for Brexit? How have Labour and its party leader, Jeremy Corbyn, positioned themselves on the issue?

ND: The Tory Party is not acting in the interests of British capital in pushing through Brexit. This dereliction of its duty is the result of how ruling-class parties have evolved in the neoliberal era. Usually capitalist parties at least try to run states in the interests of capital as a whole.

They are supposed to come up with a program not in the interests of this or that section of capital. As Adam Smith argues in *The Wealth of Nations*, at the very dawn of the system, capitalist parties and not capitalists should run the state, because individual capitalists tend to pursue their own selfish interests. They don't think about capital's collective interests.

That's why, as Marx and many others argued, capitalist classes, their parties, and their states tend to be semiautonomous. This changed under neoliberalism in Britain. During Thatcher's reign, the Tory Party and a particular section of capital—financial capital—became ever closer, and that began to distort the capacity of the party to represent British capital as a whole.

Moreover, ever since Thatcher the Tory leadership has progressively degenerated in their capacity to think about developing a program to solve problems. They have been recycling the same ideas for four decades. On top of that, since the Poll Tax revolt of the late 1980s, they've not faced real opposition from organized labor, social movements, or even the Labour Party, which fully accepted and implemented neoliberalism until Corbyn took leadership.

The Great Recession changed all of this. Neoliberalism has stopped delivering for a capitalist class that desperately needs solutions to restore growth and profits. But the Tories have not been able to come up with any. As a result, three things have happened.

First, as I mentioned earlier, the capitalist class has splintered, with the petty bourgeois and a small section of finance capital deciding to call for leaving the EU, even though it's not in the general interests of the class.

Second, the leadership of the Tory Party started denouncing the EU to fend off a challenge from their right by the nationalist and bigoted UKIP. This party had gained in polls and seats in Parliament based on a call for Brexit and attacks on immigrants and Muslims. The standing Tory Prime Minister David Cameron adopted much of the rhetoric of UKIP for narrow electoral gain.

But he did not think through the impact of bad-mouthing the EU and denouncing immigrants, which they were doing just to rally their base and get them to vote Conservative. It led Cameron into a total contradiction when it came to the vote on Brexit. After having denounced the EU, he then advocated a referendum vote to remain.

Third, a lot of Tory politicians are incompetent, ideologically driven, and incapable of thinking through the consequences of their rhetoric and policy proposals. This is a symptom of the decline of the quality of the ruling class—a global phenomenon, but one which for historical reasons is particularly acute in the UK. So, you have a perfect storm of divisions in the capitalist class over the EU, deep discontent in British society with neoliberal austerity, and ideological madness and political incompetence in the Tory Party.

In this context, Cameron made an idiotic decision. After nearly losing a referendum on Scottish independence, which terrified British capital, he then foolishly decided to stage yet another referendum on Brexit. Unbelievably, he thought he could win the vote to remain and sideline UKIP, even though he'd been bad-mouthing the EU for years as responsible for Britain's problems.

We know the results. People angry over conditions in Britain narrowly voted to leave. The petty bourgeoisie voted to do so for narrow self-interest, racist contempt for immigrants, and British nationalist fantasies. Some working-class people fell for such rhetoric as well. At the same time a section of workers voted to leave as way of expressing their opposition to neoliberalism and austerity, which they associate with the EU.

On the other side, the capitalist class on the whole backed Remain. Other sections of the

professional middle class and well-paid workers in places like London, Edinburgh, and Manchester voted to remain for good anti-racist reasons. But they also fell for ideological fantasies that the EU is progressive, anti-racist, and pro-migrant.

Corbyn and the Labour Party were caught in a contradiction. Corbyn stands in the tradition of Tony Benn and others, who long opposed the EU as a capitalist club. But he knows that the bulk of MPs supported Remain, and his base was divided between Leavers and Remainers. As a result, the party mildly supported Remain.

AS: May's failure to get a deal over Brexit and the long delay are likely to precipitate both a general election and a leadership fight in the Tory Party, right? What will happen to them in an election? What will happen in Labour, where Corbyn seems to be under massive pressure from Remainers and Leavers at the same time?

ND: Most of the sane elements of the Tory Party did not want a delay for Brexit, because they were worried it would trigger a general election, in which they know they would suffer one of the biggest defeats in their history. There will be a fight over party leadership in the run up to the elections.

A bunch of buffoons like Boris Johnson will stand for party leader. Four or five hardcore Brexiteers will run, while some soft-Brexit MPs will throw their hat in the ring. It's not clear who will win, partly because of the procedure for elections. First, the party will organize an election among the MPs to narrow it down to two people, and then they put it to the Tory Party membership.

Many of those members are in the extreme wing of the Tory Party; most of them are over 60 and will probably vote for the most right-wing candidate possible. The more rational elements know that would be a disaster because they know that a right-wing leader would be totally unpopular in the general election.

It has often been noted that this is the worst crisis the Tory Party has suffered since the repeal of the Corn Laws in 1846, which struck down tariffs on imported grain. In fact, it's worse. At least in 1846 it was clear what the two positions were; a minority of Tories were for repeal, against the party majority. In this case, there are no clear-sighted leaders in the party who have even a clue about how to get the bourgeoisie out of the mess they caused.

A lot of Tories are now saying that they are not just a Brexit party, that they stand for many other things. That is a sign that they realize that their position on Brexit is deeply damaging. Their absolute crisis over Brexit should be good news for us.

But the main electoral opposition to them, Labour, is also deeply divided. The Blairites, who are for remaining in the EU, have launched unrelenting attacks on Corbyn for months. They charged him with being an anti-Semite, and they have denounced him for his reluctance to aggressively campaign for Remain.

Their attempt to portray Corbyn as anti-Semitic and their assertion that anti-Semitism is rampant in the Labour Party are of course absurd. They are intentionally confusing Corbyn's support for Palestinian rights with anti-Semitism. In reality, he has a long record of combining opposition to anti-Semitism with support for Palestine.

The charge that Labour is swamped with anti-Semites is just as dishonest. There are of course some anti-Semites in the party, but very few. There have been 673 allegations of anti-Semitism since April last year. Now, even if *all* of these were upheld—and 227 have already been thrown out for lack of evidence or because the accused were exonerated—that amounts to around 0.36 percent of the party's current membership of 525,000. That should not surprise anyone; anti-Semites don't tend to

join left-wing social democratic parties.

Nevertheless, the Blairites, who are the majority of the MPs, weakened Corbyn with these attacks. They will do anything to get rid of Corbyn. So, Labour is deeply divided and it will be very difficult for the party to come up with a manifesto for either the upcoming EU election or a general election.

While the two main parties are deeply divided, other parties are in a better position politically. There are two anti-EU parties, UKIP and Nigel Farage's new Brexit Party, with clear platforms. On the other hand, there are a range of parties supporting Remain, including the Scottish National Party (SNP), the Greens, and the Liberal Democrats, and as a result they too stand to gain in any future general election.

AS: What are the dynamics behind the push for a new vote on Brexit? What are the class and social forces behind it? Will it happen, and what would be the likely result of a new vote?

ND: The main backers of Remain and a new vote on Brexit come from the big capitalists, the professional middle class, and sections of the well-paid working class. Each has different visions of the EU. The bourgeoisie wants to stay in the EU or secure a soft Brexit for their class interests and neoliberal project.

They have drawn behind them sections of middle- and working-class people who have illusions in the EU as a progressive and anti-racist institution. These forces came together in a mass march of hundreds of thousands of people—a million according to the organizers—on March 23 in London. Unfortunately, it was initiated and led by Blairites like Alistair Campbell and Tories like Michael Heseltine, who are on the side of capital.

In reaction to this push for a new vote to remain, Corbyn is trying to maintain a studied ambiguity about where exactly he stands. He supports the least bad Brexit possible, while all the time saying we need a general election, but has so far been silent on the question of a second referendum.

Opinion on the left is divided about a new referendum on whether to stay in the EU. Most people on the radical left think this would be disastrous. It would simply consolidate divisions and open the whole situation to charges from the right of betrayal of the original vote. I could see the case for a vote on the terms of departure from the EU.

But there has not been a serious proposal that could even come to a referendum. May's proposal has gone down to defeat three times already and now has no hope of passage. Corbyn clearly wants a Norway Plus deal, which is the softest Brexit possible. But even on that he's been quite evasive about whether he would put it to a popular vote.

The left liberal press like *The Guardian* support a new vote and claim that there's a majority for Remain. That may be true, but if there is, it is only a small majority for Remain. If another referendum manages only a narrow reversal, it would be catastrophic. It would not resolve anything and would only deepen the polarization and harden it on each side.

AS: What impact will the European elections have on all of this?

ND: The Tory Party is panicking about these elections because they are deeply afraid of losing them just as they would a general election. So, it may concentrate their minds and compel them to resolve Brexit to stop the European elections from taking place. But they have no proposal and no prospects of cutting a deal amongst themselves and their governmental partners.

So, barring some *deus ex machina* that helps them cut a deal over Brexit, they will have to

participate in the elections, which they will lose and lose very badly. The most likely beneficiaries of these will be the smaller parties with clear positions on the EU. The SNP will do well, the Greens will do well, and so will the far-right parties, all at the expense of the Tories. Labour too will likely make some gains.

Labour is polling higher than the Tories in general. But Corbyn's individual popularity is relatively low, lower even than that of May. If there were a general election, Labour would win, but it's foolish to make predictions because things are so chaotic.

I think if Labour won it would still have to rely on the support of the Greens and especially the SNP to form a government. And that will produce divisions over the questions of the EU. There is, in other words, no simple political way out of the organic crisis Brexit has caused for the British state, its capitalist class, the Tory Party, and its various rival parties.

AS: How will the fight over Brexit affect the EU?

ND: As I said earlier, the EU is of two minds on Brexit. On the one hand, they want to punish the British sufficiently scare anyone else away from doing an exit of their own. And they are succeeding in this; even right-wing governments and parties, who are mainly opposed to migrants, have dropped plans for leaving the EU because they do not want to suffer Britain's fate.

On the other hand, the EU doesn't want to be so punitive as to force a hard no-deal Brexit that would affect their economies. So, it is trying to get Britain to accept a Norway Plus deal. They would prefer this result because a no-deal Brexit would cause all sorts of problems, particularly in France where customs would hold up trucks trying to make deliveries in and out of Britain in long waiting lines.

Nevertheless, they don't want to concede too much to Britain that would in any way compromise their neoliberal project. This is accentuated by the long history of EU frustration with Britain, based on the long time it took for British politicians to agree to join in the first place. Some European states, especially France, which under de Gaul criticized Britain for being too close to the United States, are particularly hard on Britain.

So, they will let Britain leave but on terms that preserve the project of the EU and intimidate any other member states from following them. But ironically, they might miss Britain, which the EU used to enact right-wing neoliberal policies particularly during the 1980s. Thatcher would make hard neoliberal demands, the EU would concede to her, implement the policies, and then turn around and blame Britain for them. But this was all a smokescreen. In reality, of course, the EU wanted these policies all along and used Britain as a Trojan horse to get them implemented.

AS: What does this all mean for the neoliberal program of free trade globalization?

ND: Brexit is a sign that neoliberalism is weakening as a regime of accumulation or possibly coming to an end, not just in Europe but around the world. Protectionism is beginning to revive. Some of this is just rhetorical, but the conflict between the United States and China is a harbinger of things to come. I think we are probably in a transition to a new phase of capitalism.

This transition is going to last a long time. Think about the crisis of 1929; it took until after World War II for state capitalism and embedded social democracy to emerge out of the Great Depression. Or think about the transition to neoliberalism itself. The ruling class first articulated this strategy in the late 1970s, but it took a decade or two for it to be consolidated throughout the world system. So, it will take some time for a new strategy to replace neoliberalism.

I'm not sure what that new regime of accumulation will be, nor am I clear what range of options

capitalism has now. We won't know the real form of its replacement for a decade or two. At the moment, you're seeing the ruling classes reviving old strategies from the 1930s, like tariffs.

The process of globalization, which began in 1945 and eventually led to neoliberalism, is now in retreat into regional blocs. The EU is one. China is trying to do similar things. So, the patterns are just beginning to emerge.

We also may see a movement toward protectionism by the economically less developed states in Europe. They may try and do this without leaving the EU through things like nationalization, which can be done at least temporarily. If they try to go further, they will face strong resistance by the top-tier powers like Germany and France.

But this is all speculative. The main point is that Brexit is a signal that neoliberalism is played out as a strategy of accumulation. Capitalists and their states will have to come up with an alternative in the coming years.

AS: Finally, the radical left seems to have been divided, confused, and unable to impact the crisis over Brexit. Are there any signs of this changing? How should the revolutionary left position itself today?

ND: British politics is highly contradictory right now. On the one hand, there is the unending crisis around Brexit, which frankly the radical left has yet to figure out how to intervene in with any degree of coherence and influence. On the other hand, there are signs of hope, especially the Extinction Rebellion, which has essentially closed down the centers of London and Edinburgh for days, with hundreds of young people arrested.

This action has come on the heels of the massive protests and school strikes against climate change. These have been some of the biggest actions since the anti-war protests in the 2000s. But they are different from those protests and earlier ones. Young people, largely from outside the traditional parties and organizations of the left, are initiating these demonstrations.

The anti-war protests would not have happened without the British Socialist Workers Party initiating them through Stop the War. The anti-Poll Tax campaign of the late 1980s in Scotland would not have happened without the old Militant tendency. Today, these struggles are not being initiated and led by left-wing groups.

That indicates that we're coming to an end of a particular way of building revolutionary organization and its relationship with social and labor movements. We've tested that method for half a century but have not managed to succeed. That's one reason why Kautskyism is making a bit of a comeback, and, although that's not the answer, it's clear that we have to do something differently, because it's not going to happen like 1917 in Russia.

Now, how to do that is a question. We need intellectual clarity about what we're doing, first and foremost. The approach of the British International Socialists back in the early 1960s is more like what we need to do today. It was about 500 people, it had real analysis of the dynamics of the system, and it was open and fluid and really more "Luxemburgist" than Leninist. So, we need revolutionary organization of that sort.

In the movements we need to gather together people who agree and want to collaborate, regardless of organizational affiliation, around shared viewpoints to push demands on a left government if it comes to power. This is classic united-front tactics, and it might be easier in Scotland than Britain as a whole. But we have to work together on what we agree on, like anti-austerity, freedom of movement, more democracy, defense and expansion of the welfare state, and so on.

We have come to the end of the process of party building that began in the 1960s. We are in a new phase and there are new movements. Of course, there are similarities with the past, and there will always be as long as capitalism exists; but the left should stop expecting tomorrow to be like yesterday and the day before that.

There are new things happening, like the struggle over climate change. And the most interesting thing today is how these new movements are adopting working-class methods of struggle. Just look at how climate activists, the International Women's Strike, and immigrants' rights groups have all turned to striking as the way to advance their demands.

That's interesting because it means that working-class methods of organizing are developing within the movement, but not as a result of initiatives from the unions or left organizations. It's coming up organically, with people realizing that if you want to have an impact you have to shut down institutions and workplaces by striking. Out of this dynamic, we have to find our way to build new forms of revolutionary organization and parties to fight for transformation of the system into socialism.