

Brexit deepens existential crisis of UK and European Union

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Prime Minister Theresa May used her first interview of the New Year with Sky News to fend off criticisms of her government for having no plan over how to leave the European Union (EU) or for post-Brexit Britain.

She stated that her overarching concern would be to insist on ending free movement of EU labour even if this clashes with securing access to the single market. However, she then claimed that her demands for “control of our borders, control of our laws” would be met while securing the best possible trade deal with the EU. There was no “binary choice.”

Her statements failed to convince speculators, who fear a “hard Brexit,” leading to a drop in the pound to a two month low. By mid-afternoon, the pound fell 1.1 percent against the dollar and 1.23 percent against the euro.

May’s remarks were prompted by the January 3 resignation of the UK’s ambassador to the EU, Sir Ivan Rogers, a close supporter of May’s predecessor David Cameron who is in favour of Britain retaining EU membership.

Rogers left his post after sending a letter to other top civil servants urging them to challenge “ill-founded arguments and muddled thinking” and to “speak truth to power.” He did so on the eve of May’s expected triggering of Article 50 of the Lisbon Treaty initiating Brexit, and in anticipation of the Supreme Court ruling on the government’s appeal over parliament needing to vote on doing so.

May has indicated that she will outline her “vision for Britain outside of the EU” in a major speech later this month timed around the Supreme Court verdict. The *Daily Telegraph* cited a minister declaring, “She needs to make clear that Britain is prepared to leave the single market or they [the EU] will try to screw us down.”

Prior to May’s intervention, the UK media was filled with reports stressing that predictions of economic disaster post-Brexit made during the June 23 referendum

campaign were exaggerated and have been refuted by the performance in the economy in key sectors including manufacturing, construction and services.

The Bank of England’s chief economist Andy Haldane went so far as to declare that “the economics profession is to some degree in crisis... In terms of many of the real things like pay and jobs, not much happened in course of last year, it was pretty much business as usual.”

This semi-official debate between the rival wings of the bourgeoisie in reality shows a crisis of political perspective in ruling circles that also, by constant repetition, serves as a means of disarming workers as to what they now face.

In reality, the New Year saw reports pointing out that “business as usual” for workers means wage cuts. Income growth in 2017 is projected to not keep pace with inflation, continuing a six-year pattern. Average earnings fell 9 percent between just 2008 and 2013. The rise in household consumption is fuelled almost wholly by growing personal debt, with each household now owing a record amount of £12,887, even before mortgages are taken into account.

More fundamentally, the broader political and economic situation facing Europe in the aftermath of Brexit and, of yet greater significance, the election of Donald Trump as president of the United States, is dire and dangerous.

The row over what relationship the UK will have with the EU takes place under conditions where its very survival is threatened. This is the source of constant discussion within the EU’s own specialist publications and the continent’s ruling elites.

Brexit was not the cause, but an expression of the growth of national antagonisms between the major European powers under the impact of the growing economic crisis and the bitter competition between rival powers this feeds. In similar fashion, Brexit and the turn to “America First” policies by Trump have spurred on the

growth of right-wing nationalist movements who exploit popular hostility to the EU and its austerity policies—most importantly in France with the far right National Front.

To these developments must be added the growing possibility that Italy may be forced out of the EU as a result of its banking crisis. *Forbes* business magazine warned that this could end in the break-up of the EU, which would be “a geopolitical disaster. All the demons that have been bottled up since [World War II] would be let loose.”

This warning was reinforced by Horst Teltschik, national security advisor to former German Chancellor Helmut Kohl. “European integration was the peacemaking response of the Europeans to the catastrophe of two world wars,” he said. “We are witnessing an erosion of the EU with the euro crisis, with Brexit and the emergence of populist movements in France, the Netherlands, Germany, Austria or Italy and the authoritarian Eastern neighbours, especially in Poland, Hungary, Romania.”

He concluded by asking, “Should a core Europe go ahead? Suddenly, a defensive union is being discussed again, without a common foreign and security policy within sight...”

The combined idea of a “core Europe” and accelerated militarisation now dominates discussion in Germany. Most recently, writing in *Project Syndicate*, Joschka Fischer of the German Greens insisted that the EU faces the danger of disintegration “under the neo-nationalist wave sweeping the West.”

Trump, “an exponent of the new nationalism, does not believe in European integration,” he continued. He has an “ally in Russian President Vladimir Putin, who has long tried to destabilize the EU by supporting nationalist forces and movements in its member states” and “continues to call into question America’s security guarantee for Europe.”

With NATO no longer to be trusted to respond to Russia’s efforts to reassert its “hegemony” over Eastern Europe, “Europe can credibly strengthen its security only if France and Germany work together toward the same goal... The old EU developed into an economic power because it was protected beneath the US security umbrella. But without this guarantee, it can address its current geopolitical realities only by developing its own capacity to project political and military power.”

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What becomes ever clearer is that all efforts to

encourage workers to back one or other capitalist camp within the UK—over for or against the EU—only facilitate the ongoing preparations for trade war and military conflict.

This is the essential political result of the activities of Britain’s pseudo-left groups—both those such as the Socialist Party and Socialist Workers Party which lined workers and youth up behind calls for a “Left Leave” vote in the June referendum and those such as Left Unity and Socialist Resistance which called for a Remain vote while spreading illusions that the EU can be reformed.

At its Third National Congress last October, the Socialist Equality Party passed a resolution, “For a new socialist movement against militarism, austerity and war,” which drew out the significance of our call for an active boycott in the referendum.

We explained that the SEP “was alone in advancing an independent political perspective for the working class” and that our “starting point was to define a policy that upheld the interests not only of workers in Britain, but in Europe and internationally.”

The SEP warned that the referendum was only the “most advanced expression of the failure of the post-Second World War project of European unification through which the ruling elites had sought to resolve the fundamental contradiction that had twice in the 20th century plunged the continent into war—between the integrated character of European and global production and the division of the continent into antagonistic nation states.”

We stressed, “The EU is breaking apart and cannot be revived. It is only through the creation of the United Socialist States of Europe, established as an integral component of a world federation of socialist states, that the vast productive forces of the continent can be utilised for the benefit of all’.”

The adoption of this perspective provides the essential response of the working class to the ever-deeper descent into social savagery and war.



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