

Brexit: Reclaiming National Sovereignty or a Victory for Xenophobia?

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National sovereignty in a globalized world

The vote of the British people to leave the European Union on 23 June 2016 is widely characterized in the more liberal-leaning press such as *The Guardian* as the result of a rather odious chauvinistic insular 'Little Englander' nationalism. A more penetrating view depicts *Brexit* as a kind of howl of popular (and misguided) anguish from the myriad 'losers' of globalization, now voiced in a visceral anti-immigrant, xenophobic and profoundly reactionary political outburst. This anti-establishment politics is seen as part and parcel of a global right-wing populism in the aftermath of the economic and financial crisis represented in the US by Donald Trump, in France by Marine Le Pen, and in Austria with the near victory of the far right Freedom Party and in their almost certain victory in the election re-run, in the vote for the presidency.

In the UK context, *the Brexit* vote is emphatically characterised as a vote for closing borders against 'foreigners'. This entails ending the European Union's mandatory requirement for all member states to accept 'free movement of persons' with the right to live and work in any member state. The United Kingdom Independence Party (UKIP) throughout the referendum campaign, led by Nigel Farage, blamed 'immigrants' for the current woes of the population and latterly 'refugees' who will further add to these. Control over who enters, who leaves, who has the right to remain and who may cross the borders of a country is, of course, the most fundamental marker of national sovereignty. Free movement of persons in this light can be seen as fundamentally undermining national sovereignty. The *Brexit* vote thus could be seen as an assertion of the desire to reclaim control over national borders, for mistaken reasons or otherwise. The referendum vote is an expression of opposition to the European Union as a super-state which seeks to obliterate national borders. Yet to reassert the prerogatives of the nation state is not necessarily to embrace a reactionary nationalism which seeks to scapegoat the foreigners, immigrants and non-nationals as the 'Other'.

In a timely essay in the aftermath of *Brexit* the great Egyptian scholar and researcher, Samir Amin, addressed this key issue of what is meant by 'national sovereignty' posing the question: *National sovereignty: for what purpose?* (Amin, 2016). At first glance, 'national sovereignty' in an age of globalizing economic forces may seem something of an anachronism. Amin however makes the important distinction between what he terms a national 'sovereignty...in the service of...financialized monopolies' and what by contrast, is a 'positive nationalism', within a 'framework defined by the ("nation") State'. The nation state, is still the key arena where the 'decisive struggles that transform the world unfold'. A 'positive nationalism', therefore, in contrast to insular reactionary nationalism, is both 'popular' and 'democratic'. Its content is defined against, in the first instance, national ruling elites and involves 'decisive struggles' for democratic rights. Such struggles also have the inherent potential to interlink with other national struggles of a similar democratic and popular nature. So understood, internationalism is therefore part and parcel of asserting a different kind of 'national sovereignty'. This narrative of 'reclaiming' national sovereignty as a 'project that is popular, social and democratic' offers a more nuanced understanding perhaps of why many in the UK voted to leave the European Union in the referendum of June 2016.

Democratic national politics stand in sharp opposition to the remote and supra-national European Union, and especially to the unelected and politically unaccountable

European Commission, characterized in Amin's words, as an 'absolute denial of democracy' and 'incapable' of reform. Prevailing austerity policies at a pan-European level serving the interests of 'financialized monopolies' were decisively rejected by many 'Leave' voters in the context of the U.K. where national elites, in the service of the City of London, have vigorously implemented their own 'competitive austerity' programmes since the global crash, under both Labour and Conservative-led coalitions.

In the backwash of the global financial and economic crisis, austerity at the behest of the European Commission and the European Central Bank, with the notable temporary exception of Greece, was willingly or otherwise implemented by national governments throughout the Eurozone area. Restoring the economic health of the European economy, simultaneously ruled out policies of industrial investment as well as state-led interventions that could generate jobs and growth. Thus a rejection of the current European project is a rejection of ever-encroaching EU interventions in domestic policy decision-making and the grip of tight disciplinary fiscal powers which have eroded the economic independence of member states. The *Brexit* vote is therefore also about the desire to regain control over national economic direction and decision-making. In this reading, it aims at creating a more democratic form of national economic policy and more responsive democratic forums at national and regional levels (Scotland being a case in point), which ordinary people feel they have some say in, rather than being an expression of simple-minded 'anti-immigrant' sentiment. Again, as Amin points out, the collapse of the European project (and in particular the subsystem of the Euro) 'has already been underway for years'.

Free movement of labour

Yet undoubtedly, the heart of the matter in the British referendum vote – the hinge issue - was the question of the free movement of labour to the UK from other European countries. Along with freedom of movement of capital, goods, and services, free movement of labour is a pre-condition for any member state of the European Union to have access to the single European market. It constitutes one of the four inviolable and foundational principles set out in the original 1957 Treaty of Rome establishing the European project. While free movement has never proved entirely unproblematic (the migration of Italians from the 1950s, and the migrations following the accession of the Iberians in the 1980s), Eastern enlargement created unprecedented problems for free movement, problems that the Union has not been able to resolve. The accession to the European Union of eight new member states from the ex-socialist countries of the former Eastern bloc - Hungary, Slovakia, Czech Republic, Slovenia, Poland and the three Baltic states of Estonia, Latvia and Lithuania – in 2004, with Romania and Bulgaria following on in 2007 added populations to the European project with much weaker labour protections and poorer labour standards, in the backwash of rapid transition to free market economies.

In the aftermath of *Brexit* it seems legitimate to ask how far has the free movement of persons benefited the peoples of Europe? The answer is by no means straightforward and depends on which part of Europe is being talked about. The terms of accession to the EU of the post-communist states of Eastern Europe, implied a one-sided bargain — free movement of capital and labour but between economies of massively different potential and development. Their overall economic development, especially in the aftermath of the collapse of the Soviet Union, was at a much lower level than that of the West. The former Eastern bloc provided therefore, not only new markets for

European capital, but also a ready, flexible and well-educated labour force. Eager to exercise new rights of mobility, this labour force could be tapped into as a huge 'reserve army of labour' to perform jobs at wages and under working conditions that, in the main, national workforces in Western European member states rejected.

As the first wave of 'free movers' got underway from the EU accession states in 2004 industrial relations problems quickly emerged in three Western European member states, Ireland, Sweden and the UK. These three countries had opted not to impose so-called 'transitional arrangements' in 2004 designed to limit the inflow of foreign labour onto their labour markets and any possible disruption ensuing. For its part the European Commission had offered very modest projections of the numbers who could be expected to arrive from Eastern Europe, projections that were soon to prove a serious underestimate as workers from the former socialist countries migrated westwards to take advantage of wages that in the case of the Baltic countries for example, were five times higher in Sweden than in Latvia. Each country permitting free movement in turn experienced bitter industrial disputes over what was termed 'social dumping' which provided a lightning rod for popular hostility to immigration from the new member states.

In Ireland, the first of these was aboard a vessel which sailed between Irish ports and the mainland of Britain, operated by the Irish Ferries company. The Irish Ferries management had smuggled Latvian and Lithuanian workers accompanied by security guards onto one ferry disguised as 'passengers' who then emerged on deck as the future low-cost replacement crew, provoking the ship's captain and officers to initiate an 'anti-piracy' secure lockdown which continued in port for a protracted period. For the Irish trade unions which had closely partnered with the national employers in obtaining the significant benefits in terms of jobs and investment that had accompanied European Union membership, this action by one of their own native employers was a profound shock. Less than a year after the dispute ended, the majority of the nearly 500 existing permanent unionized staff had been replaced by lower-cost agency crews. The Seamen's Union of Ireland (SUI) lost representation among the new workforce and the number of unionized onshore staff was also reduced by three-quarters, while Irish Ferries secured labour cost savings amounting to approximately 11.5 million euros per year.

In Sweden, almost the day after EU accession, Latvian building workers arrived in a suburban area of Stockholm to carry out renovation work at an old military school. They were technically providing freedom of services through a Latvian daughter firm called Laval and Partners which had contracted out the workers at Latvian wages rather than those in the collective agreement between the building employers' federation and the building workers trade union in the Stockholm region. When faced with such unwelcome incursions on the strongly union-regulated labour market, Swedish trade unions have traditionally resorted to a blockade of the worksite to force foreign employers to abide by the Swedish collective agreement. In this case also, a blockade was mounted supported by other unions such as those representing electrical workers. The employer, Laval, who previous to this had employed his workers in Sweden under Swedish terms and conditions, now went to the Swedish labour court to contest the legality of the industrial action against his company, arguing that it constituted an illegal restriction of freedom of services and was in addition,

discriminatory, both impermissible under European treaty law. Laval was financially supported by the Swedish employers keen to open up the Swedish labour market to foreign competition. The Swedish labour court, in turn, referred the matter to the European Court of Justice which interprets EU law. Their ruling was that the action was indeed illegal under European law.

This watershed decision in the so-called *Laval* case, together with three related rulings from the European Court, has done much to limit the right of national trade unions to determine the forms of industrial relations appropriate to their own conditions. The blatant interference of the Court into what were previously areas of domestic jurisdiction has sent shockwaves across the European trade union movement. In particular, the *Laval* ruling is seen as undermining one of the key pieces of protective legislation which the trade unions in Europe had put in place through negotiation with European employers to ensure that workers who moved across borders would not undermine locally existing terms and conditions, and thereby become an engine stimulating a 'race to the bottom' in labour standards within the European space.

In Britain, the issues posed by EU-mandated free movement came to a head in the Lindsey oil refinery dispute of 2009. Unofficial strikes by union members began to spread across the UK in protest against a decision by an Italian firm, IREM, to use its existing employees (who are Portuguese and Italian) for construction work at the Lindsey oil refinery in Lincolnshire on the east coast of Britain, owned by the French oil company Total. The trade unions complained that the subcontractor was 'explicitly refusing to consider applications for work from UK labour' on the grounds that foreign workers could be supplied at a more competitive wage rate. Construction engineering workers across the UK refinery sector came out on strike holding up banners on picket lines demanding that the then Labour Prime Minister, Gordon Brown, honour his ill-judged populist formulation, promising of 'British jobs for British workers'.

These disputes occasioned by 'free movement of labour' have emerged in quite regulated sectors of the national labour markets of the respective countries. However, the main inflows, particularly from Eastern Europe, have been to those sectors where trade union oversight of wages and conditions has traditionally been rather weak. In particular, hotels and restaurants, catering, care work, cleaning, transport and even construction have proved difficult for trade unions to organise. Here a significant amount of exploitation exists in the grey and black economies. 'Informalised' labour contracts and irregular and undocumented systems of wage payment can be found across the board in these sectors which are difficult to regulate. The reality is that many East European and other foreign workers have been recruited to precisely these areas of the labour market where their adaptability and willingness to work hard for comparatively low wages without complaining, are seen as very attractive for employers. In these sectors it is difficult to find domestic labour forces at the low wages employers are prepared to pay, while the migrant workers although earning more than they would in their home countries, remain vulnerable and condemned to exclusion as an under-class in a segmented labour market. None of these developments portend well for the creation of decent jobs.

Even in Sweden, which has among the highest trade union density in Europe with over 70% of the workforce formally members of trade unions, the famous 'Swedish model' of orderly neo-corporatist industrial relations bargaining is under severe strain, in part

at least because of the availability of a competitor migrant workforce. Trade unions in Western Europe have found it hard, although not always impossible, to reach out to the new migrant workforces, in many cases comprising highly exploited short-term and temporary stay workers, with little experience of trade unionism and residual suspicions of such organisations due to their home-country association of trade unions with the former Soviet era.

Many on the Left in the UK, especially those allied with the 'Remain' campaign, often cited the fact that European Union membership has provided tangible enhancements of workers' rights. They pointed to European-wide directives on working time, on employment protection in the event that companies acquire new owners, European company level works councils in large companies, health and safety provisions, equality and anti-discrimination directives, all of which are now terminally jeopardized by the vote to leave. Other voices, far less heard, especially on the Left, have argued that the reality is these 'progressive' measures, emblematic of a 'Social Europe' in balancing market imperatives with social protection for its workers, in many instances, have been systematically watered down in recent years. Not least among those forces hostile to worker protection have been the European Commission and the European Court, relentless in their pursuit of a competitive de-regulated and 'flexible' European-wide labour market.

Those who bemoan the loss of the European social project and its supposed 'social dimension' need look no further than the comprehensive decimation of the social fabric of Greece's impoverished population, under the aegis of the 'Troika', led by the European Commission and the European Central Bank. Even the Troika's third partner, the IMF, has argued (to no avail) that the harsh terms of Greece's imposed debt repayments are unsustainable, although advice so far falling on deaf ears in the corridors of power in Brussels and Frankfurt (the headquarters of the European Central Bank). The preservation of employment protection and the rights of European workers in general has been largely subordinated by the unelected European Commission, in a concerted drive to rewrite established employment law protections to favour employers over workers across Europe. In this process national political elites have been wholly complicit in a sustained and concerted attack on organized labour rights in Greece, Spain, Portugal, the newer EU member states of Eastern Europe, and in the UK.

Aftershock: elites in disarray

For the UK political and financial elites the *Brexit* vote result was unexpected and unwelcome, viewed as threatening to bring with it untold negative consequences for the British economy and, if IMF projections are to be believed, for the global economy (IMF News, 19 July 2016). Politically, in the aftershock of the referendum result the established parliamentary system in the UK has experienced disarray on both Left and Right akin to a political meltdown. The outcome of this political turmoil is by no means clear at this stage. Yet, it was already obvious in the run-up to the EU referendum vote that deep and unbridgeable fissures were opening up across the political spectrum. The Conservative Party has been long divided between its anti- and pro-European factions, the latter mainly seeking to preserve the dominance of the City of London in European finance. The Conservatives had found themselves dragged further to the political right by the UK Independence Party (UKIP) with its uncompromisingly populist message as the only anti-European and anti-migration party. Former Prime Minister

David Cameron's ill-judged gamble on a referendum vote to remain or leave the European Union was designed to try to marginalize the politics of UKIP and shore up the voter base of the Conservative party at a time when many were defecting to UKIP.

Cameron's latter-day attempt to 'renegotiate' the relationship of the UK with the European Union, in particular, to secure agreement to limit the free movement of migrants from other member states of the Union failed. The 'deal' he returned with from Brussels involved no fundamental redesign of the current relationship with Europe. Equally obvious was his domestic failure to stem the flow of EU migrants arriving in Britain, despite a raft of petty restrictions on their access to UK social services. Offering his parliamentary colleagues a free hand to campaign either for the 'Remain' or 'Leave' camps simply sealed his fate. The 'Leave' campaign leadership had senior cabinet ministers at its disposal and populist Conservative demagogues at the helm like Mayor of London, Boris Johnson, seeking to outdo the UK Independence Party in hostile rhetoric towards immigration. By contrast, the 'Remain' campaign had little to offer except to attempt to mobilize a grotesque 'fear of the unknown' should British voters be wrong-headed enough to opt for exit from the EU, and the absurd threat that each individual British family would be four thousand UK pounds worse off per year. As prime minister David Cameron 'fell upon his sword' resigning from office the morning after the result, the Conservative party, for a brief period, dissolved into open warring factions in a leadership contest between the 'Leave' and 'Remain' campaigners. This debacle was much enlivened by theatrical betrayals among the 'Leave' leadership which saw Boris Johnson's candidature for the post of prime minister snatched from him at the last moment as ambitious rivals jostled for the highest state office, only in turn to be rejected by Conservative MPs in the leadership contest. The former Home Secretary, Teresa May, even though nominally a 'Remain' supporter, was to emerge as the victor. May is publicly committed to ensuring that '*Brexit means Brexit*'. The current UK government will thus trigger the formal mechanism (Article 50 of the EU treaty) to begin negotiations on exiting from the EU some time before the end of 2016, with a time frame of two years for the exit process to be legally resolved.

But what of the truly nauseating discourse on immigration (and security) which provided such toxic propulsion to the *Brexit* campaign? This discourse effectively obscured the arguments of those progressive forces especially on the Left seeking exit in favour of a reclaimed democratic national sovereignty. Revulsion at sharing any supposed commonalities with covert and not-so-covert fascists and racists (especially emboldened in the aftermath of *Brexit*) has immobilized critical thinking on a number of issues among many progressives. Those on the Left of the political spectrum were motivated to vote 'Leave' by opposition to current Conservative coalition government's imposed policies of economic austerity. These policies have polarized the population by heightening social and economic inequalities while decimating standards of living, introducing divisions between young and old, between employed and unemployed, and not least, between immigrant and native born. Voting for *Brexit* can be seen as a call for a different kind of politics.

This kind of politics is represented by the opposition Labour Party's current leader, Jeremy Corbyn, elected in a leadership contest in September 2015 by the overwhelming mass of ordinary Labour Party members, securing a staggering 59.5% of first-preference votes and beating both nearest rivals who received under 20% of the party members vote, and in the case of the candidate aligned with the politics of

former Labour leader Tony Blair, receiving under 5% of the vote. The surprise election of Corbyn as Labour leader was also a rejection of the rather timid opposition to austerity from the majority of deeply compromised Labour Party members of parliament. When previously in office, the parliamentary party both under Tony Blair and his successor Gordon Brown, voted for and implemented similar policies which had attacked working class living standards and even trade union rights. Those voting for Corbyn have unleashed a 'decisive struggle' for the soul of the Labour Party which had long since abandoned its foundational socialist principles and distanced itself from its most loyal supporters in the organized trade union movement.

The outcome of the *Brexit* vote for the opposition Labour Party has been an equally crucial turning point as for the Conservatives. Labour party members of parliament (MPs) were appalled at what they deemed to be 'half-hearted' support for the 'Remain' campaign from Jeremy Corbyn and those closest to him in the Labour leadership. Corbyn was already reviled for its Leftist politics and anti-austerity stance by the majority of Labour parliamentarians who regarded his policies as making Labour 'unelectable'. In the aftermath of the *Brexit* vote, mass resignations from the Labour Opposition 'shadow cabinet' quickly followed in an attempted 'palace coup' supported by the majority of Labour MPs who voted to reject his leadership. These drastic actions were intended to force Corbyn into resigning. When the 'palace coup' failed, as Corbyn refused to step down or 'betray' the mass of Labour Party members who had voted for his anti-austerity programme, a formal leadership contest was launched. This again seems certain to backfire. Literally tens of thousands of new members have joined the Labour Party within a period of a few weeks who it appears are mainly Corbyn supporters. The vote for his leadership and policies seems assured, while major trade unions have also backed Corbyn's unswerving championing of social justice and an anti-austerity politics. It may be that faced with this second defeat, the anti-Corbyn forces in the parliamentary Labour Party could opt to split the party. Is so they may find that they have seriously misjudged the mood of the electorate which has direct and painful experience of growing social and economic inequality in the back-wash of the crisis.

Aside from the current mesmerising political theatre which has emerged since the EU referendum vote, basic issues of what kind of national sovereignty a post-EU Britain will assert, popular and democratic or narrowly nationalist and xenophobic, remain to be resolved. Quite simply, following UK withdrawal from the EU, without free movement there cannot be future access for Britain to the single European market. Yet it is free movement of labour which is the political precipice from which the European Commission refuses to step back. That being so, whatever bold declarations made by Brussels for 'more not less Europe', and however 'punitive' the Commission is in its negotiations over UK withdrawal, the integrationist federal project is now terminally damaged with the departure of the UK. It is just a matter of time before other member states follow the example of Britain. It is clear that 'free movement' while decisively rejected by the mass of the population does not necessarily imply a simple equation that leads to xenophobia. In mid-July 2016, a full seven years after the Lindsey oil refinery dispute over 'putting British workers first', workers at the Fawley refinery in southern England conducted an official strike to ensure that Bulgarian and Italian contract workers on site were paid at the same rate as their UK counterparts, and not at half the wages as currently. Further industrial action is planned aiming to ensure fair wages for these migrant workers, something that is difficult if not impossible under current European Union regulation.

So far as re-establishing labour standards is concerned, a right wing Conservative-led *Brexit* government in the UK could use the pretext of withdrawal from the EU to even further diminish domestic labour rights. If however a Left government, for example, led by Corbyn comes to power, there is the prospect of a whole raft of pro-labour reforms including a rebalancing of trade union law in favour of worker representation and a removal of some of the more egregious employment practices which have created an insecure and exploited workforce in large sectors of the UK workforce, such as the 'zero hours contracts which place workers on call on a day by day, or even hour by hour basis (See Jeremy Corbyn 'Strengthening workers' rights should be Labour's priority', *The Guardian* 31 July 2016). In precisely this way, the arena of national sovereignty both for Britain and for the nations of Europe will offer new possibilities in terms of 'decisive' progressive struggles to come for social justice, decent work and for a new path of economic development, and against racism, exploitation and xenophobia.

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