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Lexit and the Mystifications of Political Economy

In this chapter, I argue that *Lexit's* critique of the European Union is rooted in a pre-critical understanding of political economy. By 'pre-critical', I refer to *Lexit's* use of concepts that are abstracted from social relations and that ignore work in critical political economy, from Marx onward. It is this abstraction that, in turn, leaves *Lexit* open to the accusation of mystification. I argue further, that the consequence of this mystification is that *Lexit's* stated remedies for what it sees as the failings of the European Union reproduces rather than solves the problems they believe its proponents have identified.

The Meaning of Mystification

For my purposes, 'mystification' turns on the distinction between pre-critical and critical political economy. It hinges on the idea that the former obscures and, in so doing, mystifies the nature of capitalist social relations. Pre-critical political economy¹ presents the social world as *relations between people and things*, whereas critical political economy understands social relations as *relations between people, mediated by things*.²

For *pre-critical* political economy, conflict between capital and labour takes place at the moment of exchange of the finished product. *Critical* political economy, on the other hand, recognises that the capital/labour relationship is not restricted to that one moment, but rather, is present throughout the labour process necessary for producing the com-

¹ Those that can be included in this category are 'classical political economists, i.e. Adam Smith and David Ricardo, as well as more 'radical' thinkers, i.e. Pierre-Joseph Proudhon and Jean-Baptiste Say.

² Included in this category is Hegel and Marx and those writing in the tradition. See; Robert Fine, *Democracy and the Rule of Law: Marx's Critique of the Legal Form* (first published 1987; The Blackstone Press, 2002); *Political Investigations: Hegel, Marx and Arendt* (Routledge, 2001); Gillian Rose, *Hegel contra Sociology* (first published 2001; Verso, 2009); Moishe Postone, *Time, Labor, and Social Domination: A Reinterpretation of Marx's Critical Theory*; (CUP; 2008); Matt Bolton and Frederick Harry Pitts, *Corbynism: A Critical Approach* (Emerald Publishing 2018) Hal Draper; *Karl Marx's Theory of Revolution I: State and Bureaucracy*; (Monthly Review Press, 1978)

modity in the first place. Whereas for pre-critical political economy 'value' is said to reside in the commodity, for critical political economy, 'value' resides in labour (hence, Marx's reference to commodities as 'congealed labour time').³

This pre-critical notion of seeing the social world as conflictual relations centred around the exchange of commodities leads to the belief that 'wealth' is *created* by labour as 'finished product', which is then 'extracted' or 'stolen' by someone *external* to the labour process itself (i.e. the capitalist). From this view of the matter, it follows that all that is needed to remedy this act of 'theft' and to usher in an era of economic and social justice is for labour to supplant the class 'external' to it and hold on to the 'wealth' it has by its own labouring efforts, created.

In the discussion that follows, my focus is on those concepts that *Lexit* sees as central to its criticism of the European Union and which draws upon pre-critical political economic ways of thinking. The concepts to be discussed include, 'neoliberalism', 'financialisation' 'the Elite' and 'British workers'. The chapter is organised as follows. I begin with a brief discussion of the precursor and contemporary meaning of *Lexit* (sections ii and iii). I move on to discuss *Lexit's* criticism of the European Union's economic dimension (section iv). In this section, the concept of 'financialisation' takes centre stage. This section is followed by *Lexit's* adoption of the language of 'the elite' and 'the British people' and/or 'British workers' (section v). Each section concludes with the shortcomings of *Lexit's* mystifications and their consequences for the potential post-*Lexit* era.

³ Karl Marx; *Capital: A Critique of Political Economy, Capital, Volume I.* (first published, 1867, Trans. Ben Fowkes. Penguin Books. 1990). 325. See also Bolton and Pitts *ibid.*

ii. *Lexit's Precursor : 'The European Question' and the 1975 EEC Referendum*

Lexit's retreat into 'the nation' as the bulwark for a 'national-progressive' or 'socialist' strategy against the unchecked capitalism of 'Europe' is neither new nor novel. It has been an integral element in the history of the left of the Labour Party's anti-European wing. It is as present today as it was at the time of the UK's entry into the then EEC and the referendum that followed in 1975. It is this history that the socialist critic, Tom Nairn drew attention to in his 1972 extended essay, *The European Question*.⁴ In discussing this history, Nairn highlights this left-nationalism's moral, populist tone that, again, is not without relevance today.

Writing of his times, Nairn notes the 'national ruling-class's' rejection of nationalism in recognising that their interests (or dominant sections within it) lay with the EEC and that it was the Labour Party that 'picked up [the class's nationalist] clothes and wore them'. He continues,

In spite of the strong and still lively tradition of ethical internationalism and high-mindedness towards 'narrow chauvinism', Labour defended national sovereignty and 'our' absolute 'right to control our own affairs against ruling-class 'sell-out'. Abandoned by the right, nationalism was embraced by the great party of 'the left'.⁵

That the right-wing of the Labour party should embrace nationalism was then, as now, not surprising. Adopting the mantle of a 'national party' offered reassurance that a party of sectional interests (the working-class and the labour movement) could be trusted to defend that *national* interest when trusted with the reins of government. As Nairn phrases

⁴ Tom Nairn, 'The European Question'; [1972] *New Left Review* 75

⁵ *ibid*; 37

it, Labour needed to appear '*plus royalist que le Roi*'.⁶ If this explanation solves the paradox of the Labour right's embrace of nationalism, why then did nationalism become an option for the seemingly internationalist left?

In answering this question, Nairn explores the nature and history of the Labour Party in some depth. For present purposes, however, one factor stands out. Unlike the crude nationalism of the political right, Labour's left sees itself as not just the representative but as the *embodiment* of the nation's 'moral goodness', if not its godliness.,

It is a part of every self-respecting nation-state spirit to have a popular dimension, a mass psychology to some degree *independent of the existing nation-state institutions and 'higher culture'*. The most rooted conviction of this popular nationalism is **often** that it, and it alone, *represents the **true** nation - the enduring uncorrupted national soul which has constantly to stand up against betrayal from above.*⁷

This ideal of the 'true' nation is posited in opposition to and as a rejection of the reality of the modern, rational nation-state,

While Labour's right wing surrenders to the way of the world, its left remains true to the way of the spirit. *The former is the nation of Mammon and force, of capitalism and the State; the latter is the nation of spiritual equality and community, of commanding moral principle and righteous example.*⁸

⁶ *ibid*; 10

⁷ *ibid*, 46

⁸ *ibid*, 48

It is these oppositions between ideal and material, between the ‘spiritual nation’ and the ‘political nation’, between ‘community’ and ‘Mammon, capitalism and the State’ that is articulated through *Lexit’s* return to a pre-critical political economy at the expense of its critical reformulations. Yet, as will become apparent, this return brings with it echoes of Nietzsche’s concept of *ressentiment* whereby all that is considered wrong with the contemporary elements is projected and personified onto an ‘other’ and defined as ‘evil’ so that all that remains is adopted and personified as ‘good’.⁹ It is this attempt to come to the matter with ‘clean hands’ that may go some way to accounting for *Lexit’s* unacknowledged troubling echoes of the past.¹⁰

iii What is Lexit?

In what sounds like a contemporary example of Orwellian *Newspeak*, *Lexit* presents itself as the left or socialist argument for the UK withdrawing from the European Union. Its core belief is that the European Union (at least from the Treaty of Maastricht (1992), if not before) must be understood as a ‘neoliberal project’. Costas Lapavistas offers this description of neoliberalism,

Neoliberalism is an ideology that is hard to define accurately. It is marked by a strong belief in the merits of free markets and private enterprise, coupled with an equally strong antipathy toward the public sector, collective agencies and organised labour.¹¹

⁹ Genealogy and me

¹⁰ Frederiche Nietzsche, *On the Genealogy of Morals*; First published, 1887, Vintage, 1989; David M. Seymour, "The Slave, the Noble and the Jews: Reflections on Section 7 of "On the Genealogy of Morals" in Tony Kushner and Nadioa Valman, ‘Philosemitism, Antisemitism and the Jews, (Dartmouth 2005).

¹¹ Matt Bolton and Frederick Harry Pitts, *Corbynism: A Critical Approach* (Emerald Publishing 2018)

The development of these neoliberal baselines and antipathies now said to be embodied in the European Union resulted in the demise of the commitments to the previous era of Keynesian social democracy. Adoption of neoliberalism at both the national and European level brought with it, therefore, cuts in public spending (most notably, welfare provision), the end of nationalisation and state aid for industry and have been substituted by the push towards privatisation and the ascendancy of financialisation (finance capital and speculation).

Institutionally, these facets of neoliberalism are expressed through a decrease in democratic control and oversight of national and EU institutions in general and, more specifically, those overtly related to finance; the European Central Bank and the Bank of England along with the emerging jurisprudence of the European Court of Justice.

It is *Lexit's* criticism of these 'financial' or 'economic' aspects of the European Union as a 'neoliberal project' that I will now turn.

iv. Lexit's Economic Mystifications: Financialisation

In this section, I begin by laying out *Lexit's* criticism of 'financialisation'. I move on to discuss its origins within pre-critical political economy (i.e., the reification of its organising concepts and their corresponding abstraction from and masking of the social relations which underpin them). From this discussion, I move on to illustrate how these economic mystifications are expressed in *Lexit's* political formulations.

Before continuing, however, it is important to note that the undoubted predominance of financialisation is not beyond criticism. It is a real phenomenon resulting, from a social democratic point of view, in serious negative impacts. The point is that *Lexit* falls into the

trap of treating this aspect of the matter as *if* it were the whole; that is, as if financialisation exhausts entirely the nature of the European Union's outlook. Indeed, it would not be too much to say that this confusion of part for whole is itself a dimension of the mystification that this chapter brings to light.

At the heart of *Lexit's* economic criticism of the European Union as a 'neoliberal project' is a focus on the concept of 'financialisation'. Financialisation indicates the ascendancy of finance capital and speculation at the expense of what is termed 'industrial capital' (i.e., capital used for the production of goods and services). More specifically, this point arises in the notion that financialisation is not only harmful to the UK's 'national-progressive strategy' but also, that is an 'alien' imposition forced upon the 'British nation'.

Lexit's criticism of financialisation and the corresponding 'autonomy' of the City of London is not new or novel. As Nairn discusses, it was an ingredient of the anti-European armoury in the 'Great Debate' that took place at the time of Britain's entry into the then EEC. At that time, the City had a number of reasons for the shift in attitude towards joining Europe. Most relevant was the fragility of their role as a 'clearing house' for U.S. based 'petro-dollars', but which, due to a number of contingent events, was on the decline. Entry into Europe offered a new lease of life for the UK's financial institutions. However, it was not only the financial houses that saw advantages in looking in that direction. A section of British Trade Unions (those representing workers in firms whose domestic production was bound for a European market) was also supportive. Yet, as will become apparent, this latter reality disappears from view in *Lexit's* turn to pre-critical political economy.¹²

¹² Nairn, *opp cit* and Andrew Mullen, 'The British left: For and against Europe? A historical survey' (2007) *Capital and Class*, 217-231

Echoing Nairn's distinction between 'spirit' and 'world', between 'community' and the 'political-legal nation', Bolton and Pitts draw attention to *Lexit's* populist distinction between 'the fake economy' and 'the real economy'. The definition is, for present purposes, instructive,

The 'real economy' which makes actual things [has] been undermined by the power, greed and mathematical trickery of financial institutions [the 'fake economy'] for whom money seemed to beget money, apparently of its own accord.¹³

This almost Shakespearian reference to 'money seeming to beget money'¹⁴ evinces the notion of what we can term 'unproductive' finance capital standing in almost complete isolation and opposition to 'productive (industrial) capital'. This perception is reinforced through reference to the 'mathematical trickery' of apparently autonomous 'financial institutions' seemingly divorced from any connection to processes of production which includes, of course, the presence of work, of labour. It is precisely this image of the distinction between 'the real economy' and 'the fake economy' that forms a key plank in *Lexit's* platform. Thus, speaking on the campaign trail of the 2017 'snap-election', the *Lexit*-oriented leader of the Labour Party, Jeremy Corbyn, articulated this criticism of financialisation,

[[Corbyn] railed against the 'cosy cartel' who have contracted a 'rigged system set up by the wealth extractors for the wealth extractors', pinning the blame for Britain's travails on the 'morally bankrupt' elite who 'extract wealth from the pockets of ordinary working

¹³ Matt Bolton and Frederick Harry Pitts, *Corbynism: A Critical Approach* (Emerald Publishing 2018); 38

¹⁴ see: *The Merchant of Venice*; Act 1, Scene III

people.....Only a [*Lexit*] government would 'take on the cosy cartels that are hoarding the country's wealth for themselves'.¹⁵

This idea of capital as the private property of a detached financial elite parasitically feeding off the 'real creators' of wealth (labour) was articulated again some months later in a speech given, again by Corbyn, not uncoincidentally, to the *EEF, The Manufacturer's Organisation Conference* in February, 2018. It is in this speech that this general criticism is connected to the image of the EU as a 'neoliberal project' in general, driven by the ascendancy of financialisation, in particular,

At the same time [as 'Big Bang' which is considered as the high-water mark of the UK's collusion with the EU's 'neoliberal project'] investment banks began trading in new kinds of financial products, packaging up debt in increasingly opaque ways and becoming ever removed from the real economy.....Banks should be helping the real economy, not suffocating it.....Out of control financial wizardry and gambling were left barely regulated, while the real economies in once strong industrial areas were put into managed decline.¹⁶

That *Lexit* treats this seemingly absolute distinction between the 'fake economy' of 'unproductive capital', the alchemy of 'money begetting money' through 'wizardry and gambling' and the 'real economy' of industrial capital - of the production of things and of labour, of what in the past has been termed, 'sweat of the brow'¹⁷ - as the defining char-

¹⁵ *supra* note 3 p.209

¹⁶ <https://labour.org.uk/press/jeremy-corbyn-speech-eef/>

¹⁷ M. Postone, *Anti-Semitism and National Socialism*; (Chronos, 2000)

acteristic of the EU's economic outlook is made plain by the claim that only by withdrawing from the European Union can,

[O]ur economy [take] advantage of new freedoms outside the EU to allow government to protect our industrial base. An important step towards reprogramming the economy, so that it works for the many not the few. We will take decisive action to make finance the servant of industry and not the masters of all.¹⁸

It is here that we can identify *Lexit's* mystification of a very real phenomenon through the abstraction of socially meaningful concepts from the specific nature of the social relations that give them both meaning and content.

It was with Marx's critique of political economy that its critical roots and the problem with the abstract nature of *Lexit's* apparently unmediated connection between labour and wealth fell into disfavour. In critiques of both 'liberal' and 'radical' versions¹⁹ of extant political economy, Marx's insight was to demystify precisely this connection. One of the ways in which he did so was by drawing a distinction between labour in the abstract and labour within a historically specific set of social relations; in this instance, capitalist social relations. Marx argued that labour as a means to sustain life was universal; that it was, in other words, a fact of life or a law of nature. Yet, at the same time, he illustrated that the meaning of labour at any given time was dependent upon the broader nexus of social relations in which it was embedded. While it may well have been the case in the past that exploitation of labour could be adequately represented by the presence of an external force raiding labour to steal the product that the labourer in fact owned, its validity was wanting within capitalism. Under capitalism, 'wealth' along with all economic concepts

¹⁸ *ibid*

¹⁹ It is interesting to note that Marx tended to vent his hallmark caustic wit more on the radicals (i.e. Proudhon, Say and others) than the liberals (Smith, Ricardo, etc.).

such as 'labour', 'value', 'capital', 'exchange-value', 'money' is given meaning only when understood within the context of the entirety of the capitalist social relations of exchange, relations that reach deep within the labour process itself.²⁰

The consequences of these insights, therefore, pull the rug from under *Lexit's* strict bifurcation of the social world between 'wealth-creators' (the many) and 'wealth-extractors' (the few). One of the enduring advances, therefore, of Marx's critical political economy over its pre-critical (and current *Lexit*) misapprehensions was that the expropriation of wealth and its conflicts are not a phenomenon *external* to the labour process - of someone 'picking the pockets of ordinary working people' and 'hoarding it for themselves' - but rather are *internal* to it.

From the perspective of critical political economy and its emancipatory potential, the shortcomings of a call for a 'reprogramming of the economy' through the 'freedoms' *Lexit* claim will follow withdrawal from the EU rests on a conception of labour and wealth that remain uncriticised and mystified. It is in this context that *Lexit's* economic mystifications run the risk of reproducing the very problems that it believes that it has uncovered. Most notable of these possibilities relates to the post-*Lexit* 'freedom' to nationalise; a 'freedom' in which a national state is reduced to little more than an administrative elite and for whom the labour process at its disposal offers a ready source of 'state income' through an expropriation of the finished product (while leaving the nature of the labour process unchallenged).

As such, *Lexit* offers two related images. The first is the 'fake economy' built upon predatory,

²⁰ *supra* note 3 pp. 121-161

parasitic, alien, unproductive, non-national and self-serving intangible financial capital, whose *modus operandi* is 'wizardry and trickery'. The second is the 'real economy', an organic, labour-oriented, non-exploitative, productive, national economy centred on the making of tangible things with the *modus operandi* of 'sweat of the brow' and an 'honest days work'. This characterisation of the economy is not only the consequence of a return to pre-critical political economy but also makes a connection with a particularly noxious strain of English radicalism. As Nairn implies, it was within this tradition that a xenophobic undercurrent can be detected and that is still discernible today. Here, one need only think of Shakespeare or William Blake through to T.S. Elliot and E.P. Thompson's reflections of the Muggletonians and the role 'the Jew' that plays in each of their national imaginings.²¹

Although it would be an error to drape *Lexit* in the robes of a historic radical antisemitic nationalism, it is relevant, nonetheless, to acknowledge the echo of the past in the *Lexit* present. These echoes can be found to various degrees in the return at the margins of the figure of 'the Rothschilds' as the embodiment and personification of the spectre of international finance and speculation within the darker reaches of social media.²² More mainstream, however, is the troubling, 'dog whistle' anti-immigration imagery of a 2018 Labour Party video in which the voice-over accompanying an image of the British coast with the sea lapping against the shore speaks of the country 'having lost control'.²³

The salience of these echoes are present in an even more disturbing manner when placed in the context of the 'real' and 'fake' economies that have become a staple of the *Lexit*

²¹ For a discussion of the Christian roots of the Labour Party, Nairn, *ibid*. See also, Robert Fine, 'The Rule of Law and Muggletonian Marxism: The Perplexities of Edward Thompson' [1994] *Journal of Law and Society*, 21; 193-213

²² For the political right, this position is granted to that of 'George Soros'.

²³ Indeed, the video as a whole can be interpreted as encapsulating much of what has been discussed here. <https://www.youtube.com/watch?v=bpCRQZiQ6Y8>

canon. More specifically, these legacies of the past re-emerge in the implication of the ‘internationalisation’ of ‘the few’ over the ‘nationalisation’ of the ‘many’; or, in other terms, the internationalism of ‘the elite’ over the ‘Britishness’ of ‘The People’. It is to these points that I will now turn.

v. Lexit’s Political Mystifications: The ‘Internationalism’ of The Elite’ and the ‘Nationalism’ of ‘British Workers’

Just as in the realm of economics, *Lexit’s* criticism turns on the pre-critical political economy structure of ‘relations between things’, so too does it in the realm of politics. This pre-critical approach again differs from its critical variant in which politics remains as the expression of the totality of social relations brought about by the historically specific ‘relations between people mediated by things’. The result of this difference is that, whereas critical political economy understands the political organisation (including its political institutions) as imbricated within and articulating the specific nature and content of contemporary social relations (including, of course, conflicts of interests inherent in those relations),²⁴ *Lexit’s* reliance on pre-critical political economy replicates its economic criticism of financialisation. It mystifies political concepts (i.e. the state and civil society) by abstracting them from the social relations in which they are embedded. More specifically, in keeping with *Lexit’s* image of an almost absolute division between ‘wealth extractors’ and ‘wealth creators’, so too is the relationship between state and civil society divided and opposed. The abstracted ‘state’ becomes an external force bearing down upon an equally abstracted ‘civil society’. For *Lexit*, therefore, where ‘emancipation’ means the freeing of labour (or, rather the products of labour) from its expropriators, the ‘freedom’ of civil society is believed to be dependant upon throwing off the ‘shackles of the state’.

²⁴ *Supra note 2*

As we have seen, like pre-critical political economy reflections on economics, at the level of politics, the world appears as divided between those who own property (what was referred to above as the ‘wealth-extractors’) and those whose property in the product (the ‘wealth-creators’) they have expropriated. Further, at the moment of exchange, what was considered up to that point *communal* property (i.e. the property of labour as a ‘class’) becomes the *private* property of the capitalist so that the former is dispossessed *en masse*. The consequence of this transaction, therefore, is the presence of a propertyless mass set against a now propertied class of private owners. This pre-critical image of the relation between labour and capital which underpins *Lexit’s* understanding of ‘economics’, informs also its political thinking in which, in place of the state and civil society, the division between ‘the elite’ and the people’ plays a central role

While this form of criticism underpins *Lexit’s* political understanding in general, its conceptual language alters in important ways when confronting the European Union. Even though its negative approach to the EU remains tied to its retreat into pre-critical political economy, it substitutes its concepts of state and civil society for the language of ‘the elite’ and ‘the British People’ and/or ‘British workers’. The consequence of this shift is, however, more than cosmetic. In the context of *Lexit’s* criticism of the European Union, this conceptual shift introduces a further dimension of mystification; it characterises the ‘wealth creators’ as ‘British’ and the ‘wealth extractors’ as ‘non-national Europeans’.²⁵

It is through consideration of Mitchell and Fazi’s recent work, *Reclaiming the State: A Progressive View of Sovereignty for a Post-Liberal World* that we can trace the trajectory

²⁵ It is this division that represents one of the common ground between *Lexit* and *Brexit*. See, David Goodhart, *The Road to Somewhere: The Populist Revolt and the Future of Politics*; (C. Hurst and Co.; 2017) and Theresa May ‘Citizens of Nowhere speech’; Conservative Party Conference, 2015 <https://www.telegraph.co.uk/news/2016/10/05/theresa-mays-conference-speech-in-full/>

from an analysis grounded in critical political economy to one that reverts to pre-critical reformulations. Again, I conclude the section by noting the potential this analysis, and the mystifications it presents, has for reproducing in a post-*Lexit* era the very problems it claims to have resolved.

A theme common to much *Lexit* thinking is the substitution of critical political economy's concepts of 'state' and 'civil society' for a pre-critical notion of 'the elite' and 'the British People/Workers'. This transformation is said to be a consequence of what Mitchell and Fazi term, the *depoliticisation of politics*²⁶ and the corresponding neutralising of social (i.e. class) conflict; a consequence that is also said to account for the dissolution of the UK's national sovereignty.

A 'soft' version of these developments appears in the idea that formerly independent nation-states are more or less powerless to challenge the European Union's neoliberal commitments. The arguments for this viewpoint are well-rehearsed. Should a nation-state refuse or fail to fall into line, it is subject to formal discipline at the hands of the ECJ or, informally, through the threat of the loss of capital investment and the negative impact of financial speculation. The dice appear loaded from the start in such a way that following the European status quo is the course of least resistance.

In rejecting this standard account Mitchell and Fazi provide a more nuanced reading. They draw attention to the active complicity of the nation-state in what they see as its disavowal of national sovereignty. They argue by analogy that just as the *laissez-faire* of the past depended on government activism, so too does compliance with contemporary European neoliberalism require government intervention.

²⁶ William Mitchell and Thomas Fazi; *Reclaiming the State: A Progressive Vision of Sovereignty for a Post-Liberal World* (Pluto Press 2017)

At the level of the national state, the authors suggest, this collaboration with the EU's 'neoliberal project' is accompanied by what they term, the *depoliticisation of politics*. In short, depoliticisation points to a passing of domestic matters from the nation-state to the European Union. It thereby places nation-states into the hands of an administrative, technocratic elite freed from national political accountability and brings with it a corresponding *disavowal* of national sovereignty within the EU's neoliberal framework.

The trajectory of Mitchell and Fazi's explanation for what they see as the nation-state's own relinquishing of its national sovereignty to politically unaccountable administrative elites follows the contours of the shift from critical political economy to its pre-critical predecessor. Mitchell and Fazi's account of this depoliticisation of politics begins by drawing attention to the conflict between capital and labour. They argue that the repudiation of British sovereignty within a neoliberal European integrationist framework was both a consequence and response to threats of capital accumulation brought about by the ascendancy of working-class contestation during the 1960's and 1970's. Beginning as an economic conflict involving Trade Unions and other social groups, it took on a political complexion through those groups' direct confrontation with the State. Depoliticisation and disavowal of national sovereignty served to take the sting out of these challenges and by design served to neutralise the overtly political threat it posed.

This outcome was achieved by freeing economic and social policies from direct state control by granting autonomy to the Bank of England on the model of the European Central Bank. This move not only had the consequence of depoliticising political decisions necessary for the restoration of capital accumulation, but also for shifting responsibility for the unpopularity of these measures (i.e. cuts to public spending (including welfare),

high unemployment, denationalisation and privatisation, etc.) onto seemingly ‘apolitical’, ‘technocratic’ and unaccountable elites. More often than not, justification for these policies was offered in the name of the European Union and of the needs of integration into European networks. Releasing these decisions from national, democratic oversight permitted highly unpopular and hitherto unacceptable political, economic and social policies to be adopted and accepted as a matter of EU necessity without apparent cost to the governments of the day.

In explaining these developments, Mitchell and Fazi note the paradox of depoliticisation. Although reallocating some of the responsibility for its decision-making to a presumed UK/EU imperative and, from the popular perspective, making the national state appear weaker than before, it allowed the nation-state’s interests to withstand the threats brought about by social contestation. Understood in this way, therefore, Mitchell and Fazi conclude,

[T]he current treaties [of the EU] now use the State as an instrument to advance neoliberalism and repress social democratic leanings.²⁷

It is here that we can begin to see the correspondence between *Lexit*’s economic and its political thinking. Mitchell and Fazi present an image of the EU-UK relationship as that of an external unaccountable elite, organising and feeding off of its freely gifted prey; a ‘relationship’ that when read through the prism of *Lexit* becomes the divide between a ‘European elite’ and ‘The British People’.

| The of an apparent homogeneity of interests between British capital and the European Union’s technocratic elite on the one side, that is opposed to an ‘externalised’, equally

²⁷ *ibid* p.143

apparent homogeneity of the interests of 'The British People' on the other side, appears overtly in *Lexit's* more populist rhetoric. For example, in a speech offering assurance that the Labour Party would respect and progress the June 2016 referendum, result, the shadow Chancellor of the Exchequer, John McDonnell stated that, to do otherwise,

[W]ould put us against the majority of the British People and on the side of certain corporate elites, who have always had the British people at the back of the queue.²⁸

The implication of the 'corporate elite' as non-national and the promoters of neoliberal policies of the European Union was expanded upon in a later speech by the Party leader. While McDonnell's comments can be seen as residing in the tradition of left-nationalism, Jeremy Corbyn aims more directly at the European Union. Offering an image of life after *Lexit*, he assures 'the British people' that,

What there wouldn't be is the wholesale importation of underpaid workers from Central Europe in order to destroy conditions. My point is that employers, particularly in the construction industry, others as well, recruit overseas in order to bring in the whole group of workers to destroy existing wages and working conditions, so Mike Ashley can bring in workers to *Sports Direct* to pay grotesquely low wages and appalling working conditions.²⁹

Apparent immediately is the almost conspiratorial image³⁰ of the immense harm that the neoliberal European Union is said to be inflicting on 'British workers' (who now seamlessly take the place of McDonnell's 'the British people'). The responsibility for the 'driving

²⁸<https://www.businessinsider.com/jeremy-corbyn-itv-transcript-labours-approach-to-brexit-immigration-wages-housing-2017-1>

²⁹ *ibid*

³⁰ On the question of the left and conspiracy thinking, see Bolton and Pitts, *ibid* 207-251

down of wages' and the 'destruction of working conditions' is now allocated to an external, predatory, alien and self-serving European sanctioned economic and political elite rather than as the consequence of the complexity inherent within the nature of capitalist social relations.

In this context, it is of note that Corbyn's specific target is two of the 'four freedoms' enshrined within the European Union. In effect, and, again, not without a hint of conspiracy, Corbyn is laying responsibility for what he sees as a 'pincer movement'³¹ of both the 'freedom of capital' and 'the freedom of movement of labour'. Moreover, the parasitic nature of this image is reinforced by the phrase of premeditated intent, 'in order to', with the implication that the sole intent of these freedoms is to harm 'British workers'.

Presented in these terms, *Lexit's* image of the European Union is little more than an institution operating as an instrument for a technocratic elite working in alliance with an untethered, non-national, corporate elite against the material interests of 'British workers'.

Like the mystification of financialisation, the mystifications identified within *Lexit's* political criticisms of the European Union as a 'neoliberal project', run the potential risk of reproducing themselves when put into practice in a post-*Lexit* era.

This potential is inherent in *Lexit's* reversion to a pre-critical political economy in which the masking of social relations leads to an understanding of the social world and its conflicts as an external confrontation between two seemingly unrelated, independent, unified and homogenous bodies; on the one side, the 'European elite' parasitically feeding off, on the other side, 'British workers'

³¹ Ivan Krastev, *After Europe*, (University of Pennsylvania Press, 2017)

This observation leads, in turn, to the second moment of mystification; that of the divide between 'the elite' and 'the people'. *Lexit's* presentation of the EU as a 'neoliberal project' appears as emerging simultaneously from a specific moment in the always fluid, always contested, social relations between capital and labour while *at the same time* escaping from them. It implies that following the period of increasing social and political contestation, capital and the state not only break free of their adversary (organised labour) but in so doing, put an end to those social relations in which both parties are co-joined in a relationship, albeit a conflictual one.

However, this eschewal of social relations not only mystifies the relations that give rise to and bind the parties together, but it also mystifies and makes invisible the relations and the corresponding conflicts that are internal to each group. In keeping with *Lexit's* insistence on the effacement of *vertical* social relations (i.e. *between* 'the European elite' and 'the British People'), we see also an effacement of *horizontal* relations (i.e. *within* each group) and which manifest themselves as conflicts of interest. It is this mystification of horizontal relations that carry the potential for *Lexit's* reproduction of, rather than a challenge to, the undemocratic and anti-democratic tendencies within the depoliticisation of politics and its realignment of the political world into 'the elite' and 'the people'.

If it is the case that *Lexit's* image of 'the British people' was correct and that it was in fact homogenous in the sense of an absence of conflicting interests, then the need for politics and political institutions as the means and site for mediating these conflicts disappear. All that is needed is for that presumed unity of interests - the 'will of the people' - to be administered. It follows that because of its hermetic nature, those who would fulfil this non-political administrative role could only arise from the body of 'the people' itself. Moreover,

as administration, it would be bereft of democratic scrutiny and accountability. It would, in other words, give rise to a maxim common to pre-capital political economy's idealism; that of 'the replacement of the government by the administration of things'. Hal Draper notes the dangers in this formulation. He writes,

This [maxim] is usually taken as a laudable sentiment meaning the abolition of the rule of man over men; but, in fact, [pre-critical political economy's] highly despotic schemes showed [it] to mean, in its governments, something quite different; the administration of men *as if they were things*.³²

It is not coincidental that *Lexit's* reversion to pre-critical political economy offers an inkling of this potential arising in practice. Here, all one need do is recall the attempt following the June 2016 referendum to grant all power to the Executive to administer the UK's exit from the European Union free from Parliamentary oversight; the failure of which through the oversight of the Supreme Court was met with the headline in one *Brexit*-oriented paper declaring the judges to be nothing other than 'Enemies of the People'.³³ Similarly, the use of the referendum to decide the issue of withdrawal itself is one that has a history linked to undemocratic and antidemocratic movements and regimes through its claims that 'the people's will' is embodied within the person of the leader, and also, by the reduction of its 'democratic' input to a single moment in the paradoxical formulation of a call to vote now not to vote again. or, in other words, adopting the chimera of democracy to curtail democracy.³⁴

³² Hal Draper; *Karl Marx's Theory of Revolution Vol IV Critique of Other Socialisms* (Monthly Review Press 1990)

³³ Daily Mail 4th November, 2016, see <https://www.theguardian.com/politics/2016/nov/04/enemies-of-the-people-british-newspapers-react-judges-brexit-ruling>

³⁴See; Carl Schmitt, *The Concept of the Political*. (University of Chicago) 1996

Conclusion

At the core of these mystifications of critical political economy is that *Lexit's* lexicon of concepts rest on their abstraction. As a result, rather than overcoming the shortcomings *Lexit* believes it has identified, it runs the risks of reproducing them. The reason for these concerns arises from *Lexit's* inability to escape its pre-critical origins that have mystified rather than illuminated the nature of the contemporary world and the issues at stake.

Foremost of these shortcomings is that the concepts *Lexit* adopt rest upon a failure to recognise the social relations of which they are a part. As a consequence of this failure, *Lexit* presents the social world as an external clash between two fully-formed, autonomous and homogenous bodies. It is this *Machihean* conflict that lies at the root of *Lexit's* criticism of the UK's relationship with the European Union. As we have seen, overlaying and reproducing *Lexit's* fundamental division between that of 'wealth creators' and 'wealth extractors' are those of 'industrial capital' over 'financial capital'; 'British workers' against 'cosy cartels' and 'corporate elites'; and 'the British people' against 'European, technocratic, administrative elites'. This view permits and underpins *Lexit's* claim that by casting off the shackles of the latter, the 'green and pleasant lands' of a New Jerusalem will emerge.

From a critical perspective, the shortcoming of this image rests on *Lexit* leaving its organising concepts uncriticised. It is, moreover, by failing to recognise the presence of conflict *within* rather than *between* its conceptual oppositional structure as if all that is good is the property of one and all that is evil the property of its oppositional other, it mystifies the players and the political economy in which they relate. I argue that it is this mystification

that leads to *Lexit's* fate in replicating rather than overcoming the problems it has claim to identify.

The European Union and the UK's relationship with it is, of course, not beyond criticism. However, by mystifying the nature of that relationship, *Lexit* falls short.