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Brexit, the Tides and Canute: The fracturing politics of the British State

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Abstract

The result and aftermath of the referendum on the UK's membership of the European Union has generated considerable attention, not just among observers of British politics. Even if some of wider context that shaped the referendum is far from unique to the UK, the road to Brexit is a product of distinct pathologies of the British state and politics that will introduce its own distinctive ways of doing policy and politics: With a state already under strain, a politics that is increasingly divided, and its people(s) discontented, the challenges confronting Britain's ways of governing are substantial. This essay considers three analytical lenses, or 'mega-trends', through which to view the decision of the Cameron government to call the referendum: (1) the electoral politics perspective that focuses on the populist-nationalist turn and fragmentation of the British party system, (2) the dominant policy paradigm perspective that points to a silent crisis of the neoliberal policy consensus that had governed Britain since the 1970s, and (3) the referendum as a side-effect of both depoliticisation and the politics of the regulatory state. Based on these perspectives, we reflect on the potential implications of Brexit for the future of the British state and liberal democracy.

Brexit – the withdrawal of the United Kingdom (UK) from membership of the European Union (EU) following the result of the referendum of 23rd June 2016 in which 52 percent of voters responded ‘leave’ to the question ‘Should the United Kingdom remain a member of the European Union or leave the European Union?’ – represents a critical juncture for the study and practice of politics. How did a country that a few years earlier appeared to be confident on the world stage and broadly at peace with itself, choose to engage in a divisive referendum and subsequently a snap election campaign, leaving it polarised in terms of public opinion, destabilised in terms of its territorial politics, with a return to two-party politics in England under two far from centrist political leaders, and an electoral map that makes it unlikely that any party will command a large majority in parliament in the near future?

By the time of the general election of June 2017, there was cause to ask whether Britain had turned into a new version of the ‘sick man’ that had been widely portrayed in the 1970s (King 1975). In contrast to the relative economic decline of the 1970s, however, the mid-to late 2010s ‘sick man’ could be linked to territorial discontent (with recurrent calls for a second referendum on Scottish independence and continued suspension of the power-sharing agreement in Northern Ireland), a Labour Party divided between its leader and membership on one side and parliamentary party on the other, a Conservative Party that was deeply divided between its conservative and libertarian wings as well as its economic nationalist faction, and an austerity-depleted public service that was unsure about what a Brexit settlement might look like.

In this essay, we draw on the well-known story of the English monarch King Canute (for some, Cnut). According to legend, Canute’s inability to hold back the tide exposed the limits of his powers to watching courtiers (see Hay 2009 who summarises three variants of the legend and considers whether these share the moral of the ‘triumph of structure over agency’). The modern day equivalent would therefore be to question whether today’s Canutes can make Brexit a success by holding the ‘waves’ of interdependency at bay and thereby craft a bright new future for the British state and its people built on national sovereignty (such as Boris Johnson’s imagining of the ‘sunlit land beyond’ during the referendum campaign¹). Others might see such an attempt as futile as any attempt to hold back the global tide of interdependent economies and governance – where Brexit is the product of the short-term political decisions of an exhausted political elite and a fractured party system.

This essay focuses on the context in which a referendum on EU membership became an attractive – or politically necessary – proposition for Canute’s contemporary equivalents. It is less interested in whether (and how) modern days Canutes will be able to hold back the tides of interdependence after Brexit. While there are a growing number of authoritative accounts of the events that led to Brexit itself (e.g. Evans and Menon 2017), and the behaviour of voters (e.g. Hobolt 2016; Lee et al. 2018), our focus is on the underlying forces that made the calling of a referendum on EU membership an attractive proposition for the Cameron government (as latter day Canutes). Specifically, we discuss

¹ Andrew Marr Show, BBC1, 6th March, 2016. Transcript accessed at: <http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/06031603.pdf>

three 'mega-trends' that contributed to the decision to call a Brexit referendum and the subsequent result and seek to extrapolate their potential implications for post-Brexit politics. In the analysis that follows, we first discuss three perspectives regarding the origins of the referendum before, more speculatively, extrapolating from these the kind of futures that might emerge from Brexit.

Three mega-trends to the EU referendum

As noted, this essay is interested in the systemic conditions that shaped the context leading to the referendum on Britain's membership of the EU (marking the critical juncture at the end of an era that had begun with the UK's initial decision to apply for EEC membership in 1961). We consider why the Cameron government – our modern day Canutes – came to offer a referendum to the British people in June 2016. We explore three distinct, but overlapping, 'mega-trends': (1) the electoral politics perspective that identifies populist-nationalist trends and the fragmentation of the British party system that contributed to pressures to call the referendum, (2) the policy paradigm perspective that points to growing disaffection with the dominant neoliberal policy consensus, and (3) the use of the referendum as a political tool to deflect from the regulatory state's side effects of hyper-politicisation and the unmanageability of internal party divisions (Moran 2001).

Concentrating on these mega-trends might appear unnecessarily complicated. After all, popular accounts of Brexit highlight how the referendum was called due to the increasing internal ungovernability of the Conservative Party (Oliver 2016; Shipman 2016). Some also suggest that the pledge to hold a referendum was a blunder resulting from the mistaken expectation ahead of the 2015 general election – influenced by an industry-wide polling failure (Sturgis et al. 2016) – that another coalition government was likely and would thereby void any party manifesto commitments made by David Cameron's Conservative Party. However, such accounts need to recognise the underlying conditions that contributed to such internal party dynamics and shape the choices of policymakers. As Jessop (2017) notes, Brexit was both a singular event and a symptom of an ongoing crisis of the British state and society.

We therefore need to understand why the 21st Century equivalents of the courtiers in the court of King Canute pushed for a referendum and did so successfully. These mega-trends therefore cannot explain why individuals chose to vote for (or against) Brexit on 23rd June 2016. However, these mega-trends illustrate *what* shaped the context of the decision to hold the Brexit referendum *and* how they might be expected to have consequences in the future. Table 1 summarises the arguments that we develop in the remainder of this paper.

Table 1. Three perspectives on Brexit

Perspective	Why did Brexit referendum happen?	What next?
Electoral politics and fragmentation of the party system Level: voters (and parties)	Populism, fractured politics and anti-politics (paving the way for populist campaigning), salience of immigration, fueling internal party conflict	Campaigning on notion of betrayal leads to rampant populism (e.g. ‘will of the people’)
Neoliberal policy paradigm Level: policy (and institutions)	Silent crisis of the neoliberal policy paradigm of the global capitalist state weakens ‘restraint’ on challenging fundamental economic structures	Either (i) emergence of a new paradigm that will be more responsive (improbable), or (ii) extreme depoliticisation to suppress any similar exercises in future
The hyper-politicised regulatory state Level: the state	Spectacle politics to overcome failure of party politics to resolve conflicts (and over-confidence of elites in their powers of persuasion over mass publics)	Ongoing spectacles to maintain illusion of governing in view of helplessness due to international interdependence and transnational regulatory cooperation

These three mega-trends operate at *different levels* – they focus on the level of voters (and parties), policy (and institutions), and the state – though these are inevitably interrelated. They also respond to a much broader question that has been at the heart of traditional political science – namely how the logics of politics and markets (or capitalism) can be combined or whether the contradictions between these two logics will inevitably lead to a system breakdown (Streeck 2006). They also link to contemporary debates about the relationship between domestic politics and transboundary policy challenges and administrative policy-making (e.g. Stone and Ladi 2015; Boin and Lodge 2016). The context of Brexit therefore offers an important test of the ways in which the logics of politics and markets interact, with different perspectives pointing to specific dynamics. We discuss each of these mega-trends in turn – highlighting their contrasts whilst acknowledging that elements overlap and that we need to paint with a broad brush rather than offer fine-grained accounts.

Electoral politics and fragmentation of the party system

What, then, led Prime Minister David Cameron – who opposed Britain leaving the EU – stage a politically risky and uncontrollable referendum? Drawing on the story of Canute, this symbolic act could be viewed as an attempt to resist the electoral tide and to squash internal party divisions once and for all. According to the perspective of electoral politics, the referendum can be understood as a consequence of the growing electoral force of the

UK Independence Party (UKIP) (Ford and Goodwin 2014) – riding high in the polls and winning two high profile by-elections from the Conservatives in 2014 – attracting support as a result of rising public concern about immigration and its increasing association with Eurosceptic attitudes (see Mellon and Evans 2015). This electoral threat to the Conservative Party, which fed into the Conservative Party’s continuing inability to resolve internal feuding over the EU since the 1990s, led to the promise of an ‘in-out’ referendum on membership of the EU in its manifesto at the 2015 general election, with the party’s surprise majority defying the polls (Sturgis et al. 2016) and unexpectedly requiring Cameron to deliver on the pledge.²

In broader terms, the referendum has to be seen in the context of the passing of the age of party democracy (Mair 2013) and as an attempt to overcome the fracturing of British politics – as observed in the growing divide between those people living in areas closely connected to global growth and those not (Jennings and Stoker 2016) and in the fragmentation of the party system (Green and Prosser 2016). Following Peter Mair (2013), cartelised parties in advanced western democracies increasingly ‘rule the void’, disconnected from wider society. Mainstream parties were thus left vulnerable to populist challengers such as UKIP – where European integration, the archetypal elite project, became ‘a hammer with which to beat the establishment’ (Mair 2013, p. 114). Combined with this, the metropolitan elite consensus arguably led David Cameron to over-estimate the electoral base of support for Remain (Farrell and Newman 2017). The calling of the referendum thus was symptomatic of an over-confident approach of the ruling cartel based in London to the tide of electoral politics – creating an opportunity for the populist Leave campaign to appeal to voters who were disengaged and disenchanted with mainstream parties (see Hobolt 2016).

Public disaffection with (establishment) politics had been steadily on the rise for several decades (Jennings et al. 2017; Clarke et al. 2018), further fueled by events such as the parliamentary expenses scandal of 2009. Accordingly, the referendum can be seen as political responsiveness to populist critiques of representative politics, i.e. the exclusion of the working class from political representation (Evans and Tilley 2017). This undercut appeals to ‘responsible’ party government – whereby voters entrusted politicians to take decisions in the public interest – and instead pushed politicians to more populist styles of decision-making. The pledge to hold the referendum in the Conservative Party manifesto in 2015 was phrased in anti-political terms, declaring ‘it is time for the British people – not politicians – to have their say’ (Conservative Party 2015, p. 72).

Accordingly, the referendum on Brexit offered a platform for voters to voice their long-simmering discontent against the elite, or ‘political class’ (Allen and Cairney 2017; Allen 2018) – as already had occurred (albeit on a smaller scale) during the referendums on a regional assembly for the North East of England in 2004 and on electoral reform for UK parliamentary elections (the Alternative Vote) in 2011 – with proposals resoundingly

² Note the important difference to the US where the rise of Trump has been, in part, explained by the collapse of the party elites’ ability to control candidate nominations. Arguably, the Cameron ‘A-lists’ during the 2010 and 2015 elections were broadly successful attempts at central party management of candidate selection (with some exceptions, due to local constituency mobilisation, e.g. Rees-Mogg in North East Somerset).

rejected by voters and where Conservative and other Leave campaigners had already supported anti-political elite positions.

These longer-term trends were accentuated by the electoral politics of immigration which, in turn, played a significant factor in the events leading to the referendum being called and in the Brexit vote itself. Immigration had been on the rise since the late 1990s, and the upward trend accelerated substantially following enlargement of the EU in 2004. Public opinion about immigration responded thermostatically to policy, with increased support for more restriction (Ford et al. 2015). These dynamics were initially to the benefit of the Conservatives while in opposition (Evans and Chzhen 2013). However, later the inability of Cameron's government to deliver on its ambitious target of reducing net migration to 'tens of thousands' – created pressure for reform of the terms of Britain's relationship with the EU. The failure to secure such a deal ultimately led Cameron to call the referendum. Just as with Mair's argument, the elite policy consensus created space for a populist challenge (and thus accounts for the effectiveness of the Leave campaign slogan 'take back control'³). Returning to the tale of Canute, the referendum thus was an attempt to stem the tide of anti-politics – a tide that in part had been fueled by political elites. Facing rising disaffection Prime Minister David Cameron looked to a referendum to 'settle the matter' and move the agenda on.

The call for a referendum and the Brexit vote therefore encapsulated the rise of a specific British, Eurosceptic brand of populism, such as documented in Ford and Goodwin's (2014) *Revolt on the Right*, enabled by a growing link between immigration and Euroscepticism (Evans and Mellon 2015). As we will consider later, this situation was associated with the specific demand-led model of economic growth adopted by the Blair government in the late 1990s – which in part depended on population growth, increasing demand for migrant labour. It also, however, manifested a global trend of 'cultural backlash' (Inglehart and Norris 2016) across advanced democracies, specifically with older, less educated, working class, white men reacting against social and cultural change of recent decades.

In other words, the electoral politics perspective highlights the changing context for both voters and parties, to which our modern day Canutes sought to respond in calling the referendum. It highlights the growing responsiveness of established parties to populist agendas and messages, by suggesting that these issues – such as immigration – could be 'managed'. Once this professional, strategic style of politics became one of the lines of attack against established parties and once parties in general had begun campaigning on the basis of 'people, not politicians' having their say, there was a certain inevitability to the announcement of a referendum on the UK's continued membership of the EU.

The crisis of the neoliberal policy paradigm

The second mega-trend suggests that the calling of a referendum on Britain's membership of the EU was a product of the crisis of the dominant neoliberal policy paradigm of the late 20th century which itself was born of a crisis of the post-war consensus (Hall et al. 1978; Gamble 1988). That 'neo-liberal' policy paradigm had pursued a project of

³ The slogan 'take back control' raises the question whether this is the equivalent of Canute's courtiers demanding that he hold back the tide.

depoliticisation and 'discipline', with the removal of policy tasks from elected bodies to non-majoritarian institutions (Roberts 2010), the outright transfer of public functions to the private sphere and a removal of contestation over economic and social policy issue by adopting a technocratic discourse of there being 'no alternative' (Hay 2007). This paradigm was accompanied by a shift from 'responsive' to 'responsible' party government (Mair 2013), where credibility and prudence were seen as electoral vote-winners and seemed to have displaced the politics of redistribution. This also included the transfer of considerable risk from the 'collective' to the individual. This mega-trend therefore also presents something of a puzzle: why did elites engage in a risky experiment in direct democracy – when their preferred mode of governing is to delegate and to remove issues from the political realm (Flinders 2008)? Was this a last gasp attempt to defy the turning of the (policy) tide?

The neoliberal paradigm was punctured by the events of the global financial crisis, undermining the commitment of a generation of policy-makers to the 'logic of the market'. At the global level, it has been argued that initial policy responses to the financial crisis reinforced rather than challenged the paradigm of global markets (see Hall 2013; Blyth 2013) and led to the austerity-related 'consolidation state' (Streeck 2017) in which states were accused of being primarily receptive to financial markets. To illustrate, the initial response of the UK government (as well as other national governments) to the crisis briefly suggested that the state was 'back', such as with its bank bailout packages and 'cash for bangers' (vehicle scrappage) scheme (designed to stimulate the car industry). At the same time, the bank bailout regime highlighted the structural weakness of the UK government versus the banking sector in comparison to, for example, the US (Culpepper and Reinke 2014). However, the pendulum quickly swung back towards the austerity paradigm under the coalition government, with attempts at shrinking the state through cutbacks to the civil service, privatisation of state-owned and nationalised assets, and reductions in public expenditure in those policy areas that were not ring-fenced.

The calling of a referendum on EU membership appears surprising not just in that it was contradictory to a preference for depoliticisation: EU membership was seen as essential to the existing economic policy paradigm. Under this interpretation, the referendum may be seen as a 'mistake', a gamble taken under the belief that dominant economic-financial interest would ensure the 'right' result (continued membership). Alternatively, it might be interpreted as a weakening of the once dominant paradigm in that it reflected a degree of responsiveness to interests fundamentally at odds with the ideology of the political elite. It was the crisis of the existing paradigm that made it vulnerable to challenges from both protectionist and 'free trade' populists. Indeed, it might even be argued that financial interests were integrated, in general, more in global than EU markets, and therefore insufficiently interested in actively engaging over continued EU membership by keeping a referendum off the agenda (see also Jensen and Snaith 2016).

The electoral 'mega-trend' we noted earlier exerted pressure on the modern day Canutes in part due to the context of an ongoing legitimacy crisis 'as successive neoliberal projects failed to deliver nationwide prosperity and, in addition, created conditions for fisco-financial crisis' (Jessop 2017, p. 134). The result of the EU referendum thus marked a critical moment in which the politics of (financial) markets – and the warnings of

economic experts and the policy elite, most notably in the Treasury and the Bank of England (labelled by their opponents as ‘project fear’) – were willfully ignored by voters discontented with the status quo – anemic economic growth, stagnant wages, unaffordable housing and falling home ownership, and crumbling public services. This accounts for the seeming resonance of the Leave campaign’s infamous pledge of repatriating ‘£350 million’ a week funding for the NHS, a message that cut through with many voters. It also reflected a rejection of claims that there was ‘no alternative’. The morning after the referendum, the UKIP leader Nigel Farage presented it as a bloody nose to the status quo: ‘We have fought against the multinationals. We have fought against the big merchant banks. We have fought against big politics’.⁴

Much like the crisis of the previous (welfare state) paradigm, this was a crisis of legitimacy of the state and a loss of confidence in its favoured policy instruments (Hall et al. 1978; Hall 1993). The Brexit vote thus was interpreted by elites, most notably the new Prime Minister, Theresa May, as representing a demand for a critical break from austerity and the wider neoliberal paradigm. This message also resonated during the general election of June 2017 – where Labour had campaigned on the slogan ‘for the many, not the few’, promising a rolling back of the paradigm through policies such as the scrapping of student fees and renationalization of railways.

At the level of policy paradigms, then, the referendum emerged out of an ongoing crisis of the neoliberal consensus that had dominated since the 1980s. The financial crisis and its aftermath created conditions under which dominant assumptions were increasingly questioned, especially in the context of growing salience of immigration (as noted above). At the same time, an EU referendum was seen as insufficiently important by those benefitting most from the existing neo-liberal paradigm to keep it off the agenda (leading today’s Canutes to dare to dabble with referendum as a political device). In response, the Brexit vote was, at least in part, a protest of voters against the ‘responsible’ and ‘no alternative’ consensus offered by political elites. Disappointment with the (lack of) economic and social progress under the existing policy paradigm, especially concentrated in areas subject to long-term economic decline under successive Labour and Conservative governments – exacerbated by the fiscal squeeze brought on by the financial crisis – created conditions that were ripe for voters to defy the advice of the political establishment.⁵ The referendum result thus reflected a challenge to an entrenched policy paradigm that has been increasingly under strain. By June 2016, even economists at the IMF were noting the failure of neoliberal policy to deliver (Ostry et al. 2016).

The hyper-politicised regulatory state

The two perspectives noted above highlighted conditions which facilitated the growing calls for a referendum on Britain’s membership of the EU and for the subsequent result. However, they still raise the question as to why political elites resorted to the referendum as a tool of political strategy in the first place, thereby making themselves vulnerable to

⁴ <https://www.theguardian.com/politics/2016/jun/24/nigel-farage-basks-in-the-triumph-of-his-new-dawn> (last accessed 8 September 2017).

⁵ The vote to leave the EU tended to be highest in those areas that had experienced relative economic decline in recent decades (Jennings et al. 2017).

protest votes with far-reaching consequences. After all, no politician could have failed to recognise the extent of public disillusionment with 'the political class', 'Westminster elite', and 'London bubble', which had been on the rise for decades (Allen 2018; Clarke et al. 2018).

Following Moran (2003), it might be argued that the referendum on Britain's membership of the EU represents another example of the 'age of fiasco' under the regulatory state – as a crisis of the governing order. According to Moran, the British regulatory state developed through a process of hyper-innovation in reaction to the policy crisis of the 1970s, and also due to exhaustion of the old 'club system' of governing. That club had ruled for centuries through informality, oligarchy and social elitism. The rise of the regulatory state in the period since promised the displacement of old elites and their informality and the creation of synoptic and disciplined control instruments.

In the place of 'club government' emerged a dynamic of a centralising, colonising and rule-based state that widened the scope of social and economic life subject to control – shifting government away from direct intervention (such as via public ownership) and the delivery of services, towards a regulatory mode of governing. This new regulatory state was also inextricably linked with expansion of the European regulatory state, in part driven by UK policy elites themselves in order to enhance internationalised markets. This new epoch of hyper-innovation, Moran argues, consequently reduced the scope for engagement in meaningful national politics and policy-making which proved particularly fateful given a political elite primed to rule through informality and immediate discretionary leverage. It also fed into a policy narrative that removed 'popular voice' in favour of executive-driven decision-making in seemingly arcane EU-related committees (that, ironically, the UK government machine was extremely good at influencing).

However, one of the unintended countervailing effects of the regulatory state was, according to Moran, growing hyper-politicisation, not just in fields of regulatory governance. As a result of this increasing lack of discretionary 'club government' at the national level, there was, he argued, an increasing turn to symbolic politics over governing, such as through the promotion of spectacles and mega-projects, such as the Millennium Dome and High Speed Rail II. Hyper-politicisation was further expressed in political grandstanding in opposition to regulatory arrangements. This context of the regulatory state in Britain also gave rise to a growing prevalence of policy catastrophes. This 'age of policy fiasco' is attributed by Moran (2001, p. 415) to an 'incomplete penetration of the regulatory state' – as residues of the old club system remained, encouraging series of 'government blunders' (King and Crewe 2013; Jennings et al. 2017). Resorting to symbolic politics in terms of blame-fingered the EU for domestic policy decisions and problems was therefore also part of the internal self-destructive tendencies of the British, but internationalised regulatory state. Ironically, one dynamic of the regulatory state, namely a radical elite project at replacing 'old elites' used the EU as proxy for its attempts at removing the 'old elite', even though EU membership in fact supported expansion of the regulatory state in Britain.

If one interprets Canute's attempts at holding back the tide as a spectacle (Hay 2009), then relying on the referendum device can be also seen as a symbolic politics response in the

age of the regulatory state. In other words, the increasing retreat of policy-makers to resolve policy conflicts through referendums reflects the exhaustion of 'normal' politics and the temptation for elites to stage spectacles for voting publics. It is therefore not surprising that referenda were also a feature of the 1970s (on EEC membership and devolution), just when traditional political orthodoxies were coming undone and the state was said to be suffering from 'overload' (King 1975).

Since the use of referendums to determine public support for devolution for Scotland and Wales in 1997, there seemingly has been an increase in the frequency of calls for referendums in Britain. Such demands reflect the rise of populist sentiment over this period, and the belief that the institutions of representative democracy cannot make authoritative decisions without the blessing of citizens (and increasing dominance of the 'delegate' model of democracy and its expectations of responsiveness). At the same time, referendums have become popular with parties – as tools of depoliticisation for managing internal divisions on major issues, and as opportunities to divide opponents or to use public opinion to legitimise decisions.

Accordingly, calls for referendums relating to Britain's relationship with the EU have been a consistent feature of British politics since the Maastricht Treaty of 1992. This became part of the formal policy agenda in 2004 under the Labour government, when Prime Minister Tony Blair pledged to hold a referendum on the ratification of the European Constitution Treaty. Fulfilling that pledge was avoided because of the withdrawal and subsequent renegotiation of that treaty. The period after signing of the Lisbon Treaty in 2007 saw pledges of referendums from both the Conservative Party and the Liberal Democrats. More generally, the 2016 referendum on Britain's membership of the EU can be seen as a consequence of the exhaustion of the main political actors: where parties were no longer able to maintain coherence in the face of changing socio-economic electoral cleavages and turned to spectacle and campaigning to signify their continued relevance and power given their diminished role in policy-making. In turn, this focus on campaigning distracts from the constitutional role of parties as contributing meaningfully to decision-making in legislative and executive arenas.

Moran's argument regarding the tensions of the regulatory state becomes particularly relevant when pointing to the growing frustration of the ruling 'club' with the limitations and constraints of *governing* through the regulatory state.⁶ The lack of meaningful and domestically visible political choice regarding public policy has led to ever more high-stakes spectacles, fired on by opponents of the existing system (such as UKIP and their international allies) and further motivated by attempts to defuse internal party conflicts. In other words, the self-fulfilling dynamics of the regulatory state – namely growing codification, internationalisation and the creation of systems of formal controls to reduce scope for domestic political contestation – fuelled opposition by the political elite to these developments, even though this same elite largely benefitted from the innovations of the regulatory state itself. As Moran noted, the regulatory state was intended to 'depoliticise',

⁶ It might also be argued that hyper-centralisation of the regulatory state makes management of territorial conflict within the UK ever more problematic.

but ended up being hyper-politicised, Similarly, the hyper-politicisation of the issue of EU membership contributed to the conditions that encouraged the referendum to be held.

In other words, Brexit might be seen as another major policy fiasco that emerged in the context of the hyper-politicised British regulatory state. In this particular case, the fiasco is defined by the referendum failing to provide any of the expected benefits of spectacle politics for the Cameron government but rather leading to even further weakening of the traditional party system and alignments (Jennings and Stoker 2017). The attempt of some parts of the political establishment to reassert its discretionary power (via Brexit) clashes with the intentional logic of the regulatory state that has become embedded in economic and social life in the UK over the past three decades (and at the same time has ceded decision-making to transnational regulatory regimes). It might also be seen as a fiasco as the referendum result, rather than managing the Conservative Party's internal divisions over the EU, has made this conflict mandated government policy and left wider societal dissensus unresolved. This enhances the conflict between politics and policy-making under the regulatory state, whose capacities are also increasingly constrained given the conflict between 'optimal' regulatory regimes that involve engaging with European and transnational regimes and responding to unclear national political preferences.

What next?

The story of King Canute ends after the demonstration of his lack of power to hold back the tide (leaving the reader with a range of take-home messages (Hay 2009)). In contrast, our modern day Canutes continue to be exposed to the aftermath of the Brexit referendum. The three mega-trends described above point to the fascinating nature of the Brexit experiment. These trends highlight several fundamental challenges affecting modern states, whether this involves the way in which (re-)nationalising electoral politics positions itself vis-a-vis transboundary policy challenges, how fragmented state and party organisations are supposed to be 'responsive' to divided societies, and how long-term policy-making is impeded by short-term single-issue electoral campaigns.

What, then, does the future hold for a post-Brexit Britain? We are not modern-day Sibyls that can predict the future. However, each of the mega-trend briefly outlined above offers some insights as to what to expect. Each perspective offers a distinct version of the tensions between the logic of politics, of interdependent regulation, and of markets.⁷

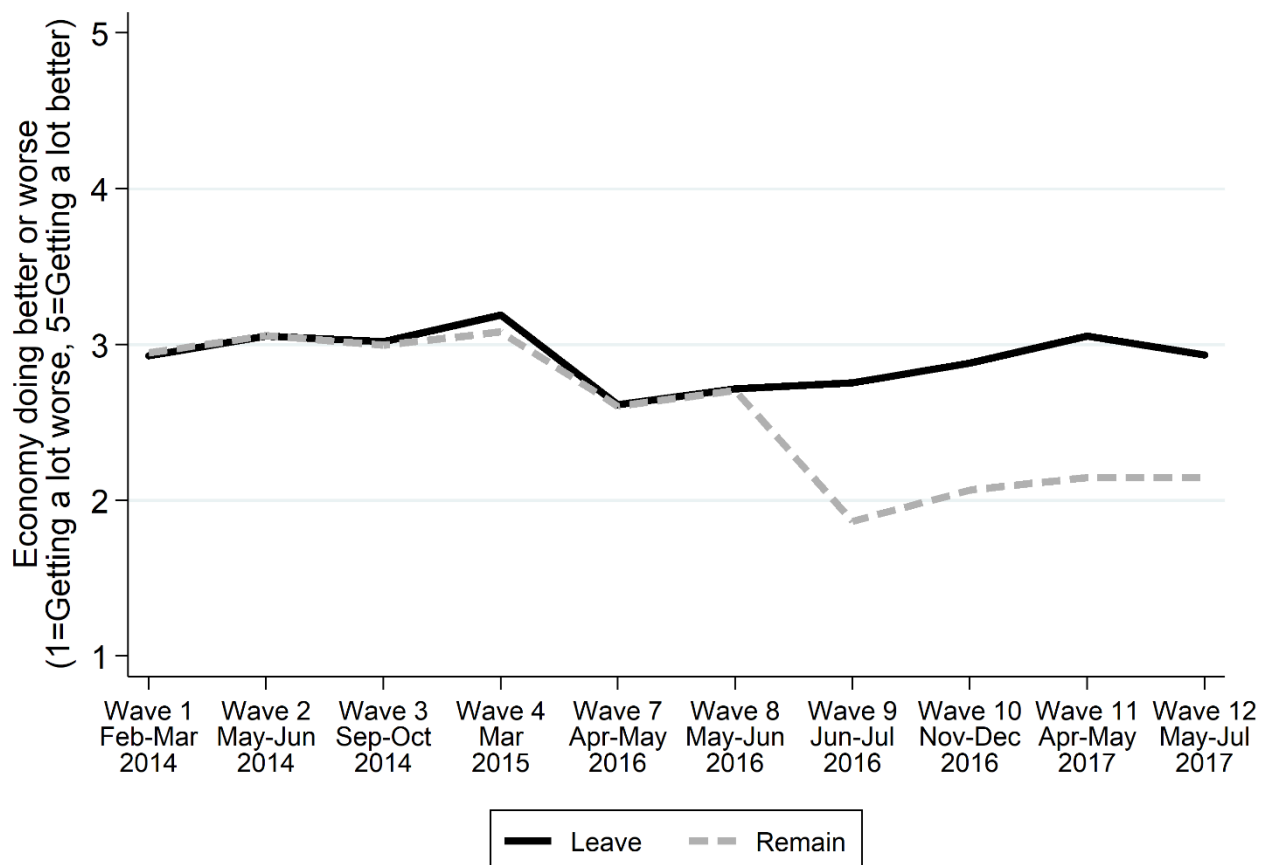
In view of *electoral politics*, the future might be said to be shaped by continuing division between one group of voters who are more likely to have voted to leave the EU, tend to be concerned about immigration and social change, prone to nostalgia and ethno-nationalism, and another group that were more like to have voted to Remain, and are more open to migration, liberal on social issues, and more plural in their sense of identity.

How far such an 'open vs. closed society' cleavage will fully replace the traditionally dominant economic left-right cleavage remains an open question. As shown in Figure 1, Brexit has resulted in polarisation of the economic perceptions of Leave and Remain

⁷ We of course assume that markets are created by rules, but suggest that market actors have different logics of action than administrative and political actors.

voters (though note that the effect is much more slight in expectations regarding personal finances than the national economy), and may reorder public attitudes elsewhere too – with the former viewing the country as headed in the right direction and latter seeing it as on the wrong track. Ultimately, the tension between these two camps creates opportunities for further exploitation by anti-system politicians (as well as pseudo-populists). After all, any Brexit deal secured by the government will likely be presented by opponents as a ‘sell out’ by the elite in Westminster and Whitehall. The effect would be a further fuelling a discontented public mood and potential for protest votes, destabilising the political agenda as prime ministers and ministers of whatever political colour scurry around seeking to satisfy populist demands in some way or another – while constrained by the timetable and limits of the Brexit deal and exposed to territorial instability. One potential outcome, then, is a more divided, discontented and unstable politics that renders post-Brexit Britain ungovernable for a period of time at least.

Figure 1. Economic perceptions, by Leave/Remain vote, 2014-2017



Focusing on *policy paradigms* suggests two distinct possible versions of the future. In the first, the Brexit vote does indeed represent a critical juncture, with a shift towards a new unknown paradigm that is shaped by more redistributive policy goals and greater politicisation (i.e. contestation). This would mean that areas of public policy would return to the sphere of electoral politics and debate, with clearer ideological differentiation of possible policy means and ends. Indeed, public support for increased spending and higher taxes in the recent 2017 British Social Attitudes Survey is at its highest level since 2004 (Clery et al. 2017). There might also be a reassertion of representative democracy in that

important questions of economic and social life return to the floor of parliamentary debate. More radically, the Brexit vote might indicate that the existing order of international liberal capitalism is headed for the scrapheap. The instability of the economic and international system – might give rise to emergence of a new style of national and international politics.

The extent to which the Brexit referendum truly represents a critical juncture in the policy paradigm, remains to be seen – for example policy U-turns have already occurred on a number of issues, such as energy price caps or putting workers on company boards. How voters eager to expand the welfare state and the public sector would cope with rising tax bills in the context of continued wage stagnation is another matter. Accordingly, in the second alternative version, the Brexit referendum leads to a reassertion of the dominant policy paradigm of the so-called consolidation state (Streeck 2016; 2017). Rather than responding to public dissatisfaction with the existing policy consensus, elites may move to further depoliticise so as to avoid any repeats of the referendum vote. They might seek to achieve this through largely the same policy instruments: targeted austerity to reduce political mobilisation, and the increasing of policy complexity so as to avoid blame and reduce accountability. This will require scapegoats, such as public sector fat cats, university vice-chancellors, recalcitrant civil servants, and failing public services that are said to be short-changing citizens. Moral panics, such as around freedom of speech on university campuses, will be used to whip up support for the imposition of further rounds of managerialism (and withdrawal of state funds). There will also be an increase in the use of contracting out and further shrinking of the state, required to offset shortfalls in tax yields due to anaemic economic growth. For observers such as Streeck (2017), such a response is likely to fuel the kind of dynamics noted earlier, namely growing hostility of electorates towards policy-making elites. Indeed, it is also questionable whether there is much elite interest in enhancing representative politics – parliament is seen as standing in the way of ongoing shadowing of EU regulation (regardless of Brexit deal) for some, for others, parliament is part of problem in not representing citizens directly. In other words, according to this scenario, there would be neither change in economic nor political paradigms.

The worlds of *club government* and the *regulatory state* offer another perspective on the possible future of post-Brexit Britain. Brexit – in whatever shape – offers the ruling club the prospect of more discretionary governing. However, the secular trends underlying development of the regulatory state, especially societal heterogenisation that undermines informal, elitist modes of governing and internationalised economies, are unlikely to go away (see also Bickerton 2017). Brexit thus paves the way for further policy fiascos: where the ‘club’ as represented by the traditional parties in Westminster is incapable of formulating a political response towards Brexit and where ethno-nationalist political campaigns against the regulatory state reduce the capacity of Britain’s governing institutions to contribute to and shape international regulatory arrangements, and to forge their own destiny in the international economic system. Such dynamics will not just prove problematic in considering the institutional arrangements of the regulatory state within an increasingly divided England, but will also place even greater strain on the territorial tensions between the different devolved administrations of the UK.

Indeed, by politicians explicitly rejecting their own capacity to contribute and shape international regulatory arrangements, the British regulatory state is likely to suffer further capacity reductions and even more likely to becoming a regulation-taker than 'shaper'. This 'regulation-taking' will at best be conducted through participation in technocratic networks. It could even be argued that it was this 'hidden' capacity of the regulatory state to shape international rules that provided the political 'club' in Westminster with the resources to entertain the kind of spectacle politics that led to the Brexit referendum. How Britain's administrative machinery can maintain capacity under a political system that is stumbling from spectacle to spectacle in order to deflect attention from its own self-destruction is, therefore, a fundamental question for the future of the UK.

Conclusion

As we have argued, Brexit offers a liminal moment for the future direction of British politics, and of politics more widely. The contours of a post-Brexit politics are shaped by the set of underlying mega-trends that led to the referendum vote itself and the ongoing attempt to reshape the way Britain is governed and how this impacts the relationship between voters, the political elite and the rest of the world.

The rise in support for populist parties, the adoption of populist policies by mainstream parties in government and the historical track record of EU treaty referendum defeats since the 1990s suggest that the underlying dynamics that we identify are not necessarily specific to the UK. We have highlighted three distinct, though overlapping, mega-trends that point to the tension between responding to popular and electoral demands and the statecraft of making and delivering policy in the context of an increasingly globalised international economy. While these forces are not found only in the UK (indeed there are many national variants of populism and Euroscepticism across the EU), we would argue that their influence and combination is especially significant in the UK context. That the UK is, as yet, the only member state that has elected to leave the European Union might be a result of its detached political commitment and limited popular support for EU membership (relative to other member states). It is also possibly a result of its distinct finance-dominated economy and its hyper-centralised elite, and its unstable territorial politics (Moran 2017; Awan-Scully 2018).

This essay has focused on the conditions that have led to the decision to hold a referendum on Britain's membership in the EU and the likely repercussions for British politics. Whether the UK can be more successful than King Canute in the 11th century in holding back the tide is to be questioned in terms of resisting the demands of the modern global economy – indeed, it might be argued that Brexit tells us about the British state what King Canute suggested about the powers of the monarch back then: 'Let all the world know that the power of kings is empty and worthless, and there is no King worthy of the name save Him by whose will heaven, earth and sea obey external laws' (Huntingdon 1996: p. 369). However, what this tale does not necessarily reveal is how much power King Canute (and his modern day equivalents) possess to hold back calls from courtiers to engage in symbolic spectacles, given the hyper-politicisation of the regulatory state with its elites committed to replacing all remains of what is regarded as an old 'failed' elite combined with territorial conflicts and disgruntled electorates. What the

electoral and administrative costs are to the UK of the apparent inability of political elites to resist these forces remains unclear – and troubling – given the potential threat they pose to the future viability of the UK as a liberal democracy.

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