

**W**ith only a few days to go before the referendum on EU membership, the future of the United Kingdom is shrouded in uncertainty. Two rival, if interconnected, projects of disunion loom large: Euroscepticism and Scottish nationalism. Both are electorally seductive because they put forward a readily understandable solution – self-government – to the socio-economic problems that most worry voters. Eurosceptics promote “Brexit” from the EU by claiming it will make Britain wealthier and more able to control immigration. Conversely, the Scottish National Party paints rule from Westminster as the obstacle to a more just and successful economic order. But the British public should ignore these siren calls, which in reality offer only policy contradictions.

## **A Singapore in the Atlantic?**

The major funders of the campaign to leave the EU are neoliberal financiers, such as Aaron Banks and Peter Cruddas, whose utopia is an Atlantic Singapore. They envision a trading state where businesses are free to operate globally, unfettered by Brussels’ regulatory zeal. This image is all the more persuasive against the backdrop of five years of sovereign debt crisis in the Euro-zone. The EU response has been to double down with the kind of macro-economic integration that is anathema to UK voters. But thanks to its formal opt-out from the single currency the UK has no obligation to participate in these developments.

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More important, within the single market – which absorbs half of British trade – the UK is free to have a light touch approach in key areas such as product market regulation or contract law. Neoliberal Eurosceptics somehow imagine it is possible to get a better deal outside the EU club. They expect single market access can be combined with unilaterally lower health and safety or environmental rules (a major trade advantage) and preferential trade deals

## A kingdom shrouded in uncertainty: The flawed logic of self-government in the UK referendum

By Andrew Glencross

with other major economies. Conveniently ignoring the fact that the EU, the world's biggest economic bloc, is better equipped to obtain trade concessions, Brexit functions in the Eurosceptic imagination as the philosopher's stone for a globalized age.

Free-market champions of EU withdrawal find common cause with the anti-immigration Euroscepticism of the United Kingdom Independence Party. UKIP won nearly 4 million votes in the 2015 General Election by making the EU synonymous with costly, uncontrolled migration. Yet theirs is a contradictory coalition as UKIP's goal is less market openness, at least when it comes to free movement of workers.

Stripped of its ethnic nationalist component, UKIP's key complaint about immigration is the lump of labour fallacy that more job competition leaves everyone worse off. To win their battle, UKIP are prepared to ally themselves with the barons of financial capitalism. The latter though have an overriding interest in extending the supply of human capital to contribute the skills necessary for wealth creation and to minister to the lifestyles that come with it.

Voters seeking to control immigration by choosing Brexit are thus set to be duped. Outside the EU, the UK in theory has more levers to control immigration. In practice, neoliberal interests will ensure a very different migration agenda is pursued (in Singapore, not by coincidence, more than 40% of the population is foreign-born).

### **Scottish miscalculations**

Europe's mishandled refugee crisis is playing into the hands of the anti-EU camp. Yet it is wrong to imagine Brexit merely as a diplomatic wrangle with foreign capitals. For the momentum behind leaving the EU inevitably puts into question the future of the British union.

The case for Scottish independence certainly becomes more compelling in order to secure the benefits of EU membership. But the primary justification currently made for Scottish self-government is as a remedy for austerity. Sovereign powers, according to this logic, are needed to implement an alternative to Westminster's austerity politics. A virtuous Scottish circle could begin with anti-austerity budgets, fuelling the growth that in turn can finance redistribution.

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Having previously dallied with support for monetary integration, the Scottish National Party now advocates retaining the UK opt-out from the Euro. If successful, this strategy can only mean either entering into a Sterling union or establishing its own currency. Both options will create new dependencies that undermine Scotland's leeway for anti-austerity policies.

A Euro opt-out is conditional on Brussels' goodwill. Indeed, it is easy to imagine that in return the EU would expect Scotland to sign up to the balanced-budget provisions of the so-called Fiscal Compact, which Cameron rejected back in 2012. Monetary union with the rest of the UK would similarly come – as the governor of the Bank of England warned during the 2014 referendum – with similar strings attached. In such circumstances, independence is no way to circumvent the austerity agenda.

Neither the dissolution of the UK nor Brexit is inevitable. Should they occur, it will be because voters accept the premise that self-government automatically makes possible a better socio-economic order. What is clear from the referendum campaign is that politicians such as Boris Johnson are more concerned with furthering their own careers than in recognizing the limits of self-government.



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