

# Is there a future in England's dreaming?

**By Dr. Steven McCabe, Associate Professor, Institute of Design and Economic Acceleration (IDEA) and Senior Fellow, Centre for Brexit Studies, Birmingham City University**

Those who know their lyrics will have probably spotted that the title of this blog is a play on the last lines of, undoubtedly, the most controversial single released in 1977 by the dangerous young men referred to above; 'God Save the Queen' by punk rock act the Sex Pistols. Released in late May, 'God Save the Queen' coincided with the celebrations of the Queen's Silver Jubilee as monarch and, as was intended by the group, created shock. Unsurprisingly, it was banned by the BBC which refused to play it on radio.

Some 42 years later, the furore generated by the Sex Pistols seems quaint and tells us much about the way in which 1970s Britain was dealing with the generational changes of those who, teenagers themselves, had coped with the horror of war followed by privation and austerity. The optimism of the 1950s and 60s during which reconstruction of towns, cities and the infrastructure as well as manufacturing in factories had massively increased – drawing in large numbers of immigrants – had been replaced by the shock of recession, high inflation and rapidly rising unemployment.

'God Save the Queen', originally titled 'No Future', was anthemic of a prevailing zeitgeist that of subservience and dedication to respect of 'the establishment' had had its day. To be fair, the Sex Pistols' influence is usually overplayed and they performed the roles of *enfant terribles* set by their Svengali-manager Malcolm McLaren to perfection. Nonetheless, Britain in the 1970s was a country in teetering on crisis.

Only the year before the release of 'God Save the Queen', in 1976, Labour Prime Minister James Callaghan who'd taken over in April from Harold Wilson after his resignation, had been forced to go to the International Monetary Fund (IMF) to seek a bailout of \$3.9 billion (over \$17.2 billion now), and at the time the largest ever loan it had ever granted, to effectively ensure that the UK remained solvent. This

action caused profound shock at home and abroad. International investors withdrew investment and the pound took a hammering against the psychologically important dollar.

A popular refrain of the 1970s for the UK is that it was regarded as the 'sick man' of Europe, having only joined the European Economic Community in January 1973 that had been subject to a confirmatory referendum in June 1975. Rapidly rising unemployment, especially among the young, was a phenomenon largely forgotten and inevitably caused resentment among some elements of society who felt their communities were being overlooked.

Perhaps it is to be expected, but with rising unemployment there was an increase in social tension in areas where jobs were being lost. On reflection, it is possible to see that the changes that were occurring were bound to create ideal conditions for resentment to fester. 'Traditional' jobs that had existed for at least a couple of generations in local factories owned by local employers were being squeezed out of existence. Larger industrial employers were starting to experience the winds of international competition and introducing technology that wasn't so labour intensive.

Nevertheless, and with relevance to the underlying reasons for the crisis we are currently undergoing as a result of the decision of those who took part in the referendum on continued EU membership in June 2016, in the late 1970s there were those who used rising unemployment to stir social tensions; the National Front (NF). Though anti-immigration arguments were not new in Britain, the NF were happy to use tensions arising from social change to seek political change based on the belief that immigration was bad for indigenous, ostensibly white, British workers.

Outside of the political classes, Europe was not seen as especially relevant. Even after her victory in the 1979 general election, Margaret Thatcher, though much less enthusiastic about membership of Europe than her predecessor as leader Ted Heath who as PM had overseen the UK's entry to the EEC, was largely supportive of the aspirations of enabling of trade and alignment of regulations. Opposition to membership of the EEC was, made up of an alliance of the more right-wing of the Tory party, the origins of the Eurosceptics now in power, and the prominent left-wingers in the Labour Party such as

Barbara Castle, Tony Benn, whose devoted followers included a certain Jeremy Corbyn, and Peter Shore.

As the expression goes, the rest is history. The (second) referendum on continued membership of Europe that took place over three years ago was based, in part, on the sentiment that British workers were still losing out to a combination of, it should be stressed, white Europeans from ex-communist states that had gained membership of the EU through 'accession' and increased regulation imposed by faceless bureaucrats in Brussels.

Far-right groups that succeeded the NF have been only too happy to coalesce around the sort of anti-EU rhetoric Eurosceptics in the Tory Party have maintained over the past four decades but became vitriolic after John Major signed up to the Maastricht Treaty in 1992. John Major saw off the rebels within his party who he famously described as "bastards" and was followed by Tony Blair whose enthusiasm for Europe was legendary.

Blair was talked out of joining the European Monetary Union (EMU) that was central to the Maastricht Treaty and led to the establishment of the European Central Bank (ECB) in June 1998 and the euro which effectively came into operation on 31<sup>st</sup> December 1998 by his chancellor Gordon Brown who succeeded him when he resigned in June 2007. Brown's commitment to the EU was, nevertheless, as solid as Blair's and cooperation among the 28 members in dealing with the aftermath of the Global Financial Crisis of 2008 was seen as essential.

The last nine years have seen three Conservative PM's whose commitment to the EU have waned in direct correlation to their perceived support within their own party. Accordingly, Boris Johnson is now the most avowedly Eurosceptic PM ever to have occupied 10 Downing Street. His victory in becoming leader of the Conservative Party following Theresa May's resignation was achieved precisely because he has stated that he is willing to allow the UK to leave the EU with no arrangements in place to cover the transition period until December 2020 that was included in the Withdrawal Agreement (WA) she negotiated.

Johnson recognises his stance plays well among not just the Eurosceptic members and of his party who elected him and a significant proportion of Conservative voters but, very significantly, among a large number of those who live in what would be regarded as 'traditional' Labour constituencies. These are the very same people who have experienced endemic disadvantage and disgruntlement going back to the 1970s when the Sex Pistols sang that "There is no future in England's dreaming" in 'God Save the Queen' and whose support has been cultivated by the UK Independence Party and, latterly, the Brexit Party.

It becomes increasingly apparent that many of those who perceive themselves marginalised and 'left behind' believe that given their economic prospects have declined over the last forty years, leaving the EU will somehow improve their fortunes. If one examines the arguments made by supporters of Euroscepticism, it's entirely possible to appreciate that they have been seduced. As some commentators are suggesting, blaming others for Germany's misfortune in the 1930s was how the Nazi Party came to power.

Daily economic data shows that there is no doubt that much needs to be done to improve the prospects of huge numbers of those living in areas that, until the industrial decline wrought by the neo-liberal policies of 'Thatcherism' would have felt relatively prosperous. Additionally, even in the great cities of London, Birmingham and Manchester, huge variations in equality exist.

It is particularly noteworthy that consumer sales for July are the weakest on record. Consumer spending stimulated by never-ending sales and perpetually low interest rates has been the bellwether of the UK's economy. It has also been the place offering employment, on lower wages, to many of those who might otherwise have worked in manufacturing if jobs were available.

Think-tank the Resolution Foundation is warning that should the UK enter into recession as is widely anticipated, low-income households are more vulnerable to its effects than was the case before the GFC. Almost a decade of welfare cuts imposed under the coalition government led by David Cameron have caused poor families to struggle. Theresa May's proclamation on becoming PM in 2016 after Cameron resigned to assist those experiencing low-wage growth, the

‘Just About Managing’ (JAMs), was dashed on the rocks of trying to achieve support for a withdrawal deal.

It’s been noted that in the past three years since the vote in June 2016 to leave the EU, investment domestically and from overseas has shown a marked decline. The corollary of falling productivity that will make British goods more expensive may have been offset by the fact that sterling is falling though, to be fair, export figures have not shown the level of improvement that would have been anticipated after the pound plummeted immediately after the outcome of the EU vote in 2016.

The current economic portents under Boris Johnson are spookily resonant to those experienced by James Callaghan in 1976 when he took over as PM from Harold Wilson. Pointedly, Callaghan was forced to rely on the votes of the Liberals with which a pact was formed in March 1977 after his government had no overall majority after a by-election defeat and was likely to be subject to a vote of no confidence motion.

It’s hard to see how things will change for the poorest in society; contrary to the rhetoric of Brexiters. Indeed, as John Harris made clear in a recent *Guardian* article, ‘Blame the scroungers. Blame the migrants. How Britain fell for austerity’, and in which he asserts that “a whole swathe of public opinion has long since turned cruel and inward-looking,” there is a sense that the poorest in society are to blame for plight:

“Tory Brexiteers have pulled off the most devilish kind of trick, sowing discord and resentment via austerity, presenting Brexit as some kind of answer and reaping the rewards. In this reading, however irrational it may seem, much of the enduring support for leaving the European Union – up to and including the no-deal version – is a misplaced reaction to poverty, inequality and cuts.”

Time will, of course, tell us whether Brexit – increasingly likely to be on a ‘no-deal’ basis – provides the nirvana, especially for the poor and disadvantaged that its proponents suggest is possible. From a personal point of view, it is not possible to see how; quite the contrary. In the meantime, we should urgently continue to question whether there is indeed a future in England’s dreaming?