

Introduction: Historical Contexts

This book contains a selection of my articles and papers on political economy and British politics. They have appeared over the last forty years and illustrate some of the main themes of my writing in this field. The companion volume to this one, *The Western Ideology*,¹ covers political ideas and ideologies. The themes covered in the two books at times overlap but they are intended to be self-standing. The essays in this book range from my essay on ‘The free economy and the strong state’, first published in 1979, to ‘After Brexit’ and ‘The Anglo–American world view’, which were both first published in 2019.

Any selection of essays for a book such as this faces a dilemma. Is it better to concentrate in depth on one or two themes, or is it more important to cast the net more broadly, choosing pieces that are representative of work done in different periods and addressing many different topics? I have for the most part selected pieces which had some impact at the time, but there are a few which have been forgotten and are rarely cited. All of them I hope stand alone as contributions to particular debates and themes in political economy and British politics.

Like all academic work these essays belong to particular times and contexts, and there are things in them which I would express differently today. But I hope they are still of some interest. I have mostly left the texts as they were, only correcting obvious anachronisms, and explaining certain references which were familiar enough at the time, but which will now be obscure to most people, for example the activities of the Clegg Commission in 1979. I have also removed some passages discussing scenarios which have since been overtaken by events. This Introduction is followed by brief notes on the themes of each essay. At the end of the book is an epilogue which reflects on the contexts in which the original essays were written and on what has changed since then. Some of my judgements and analyses have lasted quite well, others not so much.

The title essay in this collection, ‘After Brexit’, has been chosen as the title essay because it reflects on the historical contexts which have shaped the British political economy and its external relationships in the decades of European engagement and non-engagement since the Second World War. The European issue has been central in British politics in the last forty-seven years, since Britain first entered the European Community in 1973, but it reaches back before that, to Churchill’s identification of Europe as one of three circles of key external relationships in which Britain was involved (the others were the Empire and the United States) and to Britain’s refusal to become involved in the first steps towards European collaboration after the Second World War and in the 1950s, followed by the two failed attempts to join the Common Market in the 1960s.

When Edward Heath finally secured entry in 1973 he intended Europe to provide a new national purpose and to give Britain a new role in the world, following the withdrawal from Empire. It was regarded as a watershed moment in Britain’s post-war development and a decisive recalibration of Churchill’s three circles, giving top priority (for the first time) to the European circle. In the same way, the decision to withdraw from Europe after the 2016 Referendum has the potential to be a major watershed which some of the leaders of the Leave campaign are hoping will recalibrate the three circles again by giving priority to the United States and the wider Anglosphere. To the extent that this occurred, it would reshape British politics in many different areas – its political economy, its role in the world, its party system and its constitution.

Britain was often a reluctant member of the European Union, but supporters and opponents of the European turn in British policy assumed that Britain’s membership of Europe was permanent and most unlikely to be reversed despite the presence of a strong and vocal anti-European minority. Europe was always an issue of low importance for most British citizens, but it was a vital matter for parts of the political class, as the virulence of the civil war in the Conservative party attested. Both main parties were divided about the merits of integrating with the rest of Europe and the priority to be given to Britain’s relationship with Europe over its relationship with the United States.

‘After Brexit’ provides a frame for thinking about how the increasing Europeanisation of Britain’s laws and institutions and policy-making processes and its regulatory regime over the four decades of membership intersected with other domestic issues and debates, including the response to the relative decline and poor performance of the economy, the character of Britain’s hybrid Anglo-liberal model of capitalism, the

reshaping of the post-war Keynesian welfare state, the rise and fall of Thatcherism, the transformation of both the Conservative and Labour parties, the relationship between Britain and the United States, the new regulatory state, and the changing constitutional order with the devolution of power to assemblies and parliaments in Wales, Scotland and Northern Ireland. These issues have their own time-frames and internal dynamics which have to be understood in their own terms. The essays in this book approach these issues in a variety of ways. They were written at different points in Britain's European odyssey, which shows no signs of ending any time soon, because although Britain is now *after Brexit* it will never be *after Europe*. Much as some Brexiters might like to weigh anchor and sail off into the Atlantic, Britain's oscillation between engagement and non-engagement with the rest of Europe will remain a fundamental part of British politics.

Whether Brexit turns out to be a major watershed in British political history and in the British political economy is unclear at the moment, and will depend on the choices which British governments make in the next ten years. Will Britain after ten years be as close to the EU as Norway or Switzerland, or will it find a new role as 'Global Britain' outside the EU orbit altogether? Watersheds are hard to identify with certainty at the time, and Brexit has several other recent events to contend with, including the 2008 financial crash and the 2020 COVID-19 emergency.

Looking back over the sixty years I have been studying and writing about politics, and reading again some of my earlier writings, I am struck by some of the continuities but also by what has changed, and by what I left out. From this distance it is much easier to see the political contours of the last six decades, the decisive breakpoints and watersheds, and why events unfolded as they did. But hindsight has its own pitfalls. Outcomes are never inevitable, at the time there are always different possibilities and one of the difficulties of writing enveloped by the fog of events is understanding which paths are more likely to be taken. The role of contingency in human affairs constantly contradicts our yearning for order and rationality and for the fulfilment of our hopes. Some of these essays describe paths which were never taken, scenarios which were never realised, doors which were never opened.

Another difficulty in writing about contemporary politics is that events in any one national territory like Britain are not shaped by just one context but by many different contexts, with different time-lines which only occasionally overlap. For the seventy-five years which have elapsed since 1945 these contexts have included all the usual domestic ones, such as the economy, elections and the political

parties, the Union, and external relationships, but also international contexts, including the geopolitical, the economic, the security, and the environmental. It is hard to pay adequate attention to all these at once. The degree of complexity is too great. What everyone does is to simplify. I have long thought that the real value of theories in political economy and political science is not to provide certainty and all-encompassing explanations but to act as searchlights which illuminate particular aspects of a problem. It follows that we need many searchlights to understand something as complex as politics, from as many different perspectives as possible.

The frame I have relied on most in these essays is a set of overlapping historical contexts focused on problems of British politics and political economy, using a concept of political economy still understood as Marx or Hayek or Adam Smith would have understood it. The first context is the end of the post-war settlement, both national and international. It runs from the early 1960s to the late 1970s, from the 1961 pay freeze and the Cuban missile crisis through the final stages of decolonisation and end of empire, and the entry of Britain into the European Community, to the end of the Bretton Woods system and the first questionings of US power, the inflation crisis and the industrial conflict which that provoked, the 1976 IMF (International Monetary Fund) bailout, paving the way to monetarism, and Margaret Thatcher's election victory in 1979. This is the period which saw the challenges to the post-war gains of the Labour movement, the discrediting of Keynesianism, the economic crisis of the 1970s with its novel combination of high inflation and slow growth, the polarisation of politics, and the rise in Britain and elsewhere of a new politics of the right. My work was shaped in this period by the debates on the economic crisis and the specific crisis of British capitalism, debates on the new Conservatism, and debates on British decline.

The second context, from the mid-1970s through to the early 1990s, is the neo-liberal turn. This was made possible by the wider international context – the reorganisation of the US dominated international order under Ronald Reagan, and the second cold war with the Soviet Union, which at first involved a ratcheting up of nuclear tensions, and then the period of 'perestroika' and 'glasnost' under Gorbachev, which ended with the opening of the Berlin Wall in 1989 and the collapse of the Soviet Union in 1991. Another key context for Britain was now the European context, the progress of EU integration towards monetary union with the creation of the Exchange Rate Mechanism (ERM) in 1979, and the establishment of the single market, over which Britain had much influence. It is within these

contexts that the Thatcherite project in UK unfolded, assisted by the normalisation of neo-liberal doctrines and policies throughout the western world. It ends with the opening of the Berlin Wall in 1989 and the subsequent collapse of the Soviet Union, and in the UK the forced ejection of the £ sterling from the ERM. My work was shaped in this period by major debates on Thatcherism, on economic policy, on the new cold war, on the acceleration of technological and cultural changes, and on the beginnings of the new era of globalisation.

The third context, from the early 1990s to the late 2000s, is the new world order. The boundaries of this period are unusually distinct since it began with the proclamation of a new world order by US President George H. Bush, the third post-war phase of US hegemony, and ended with the 2008 financial crash. This was the era of globalisation and the Third Way, of renewed economic growth and western prosperity, and the beginnings of a massive geopolitical shift with the economic and political rise of China, India and Brazil, as well as the development of new regionalist associations in many parts of the world, and the growing strength of the European Union. The Kyoto Agreement on the urgent need to tackle climate change was signed in 1997 and the UN formulated its Millennium Development Goals in 2000 to counter inequality and promote sustainable development. My writing in this period responded to debates on the Third Way, on neo-liberalism, on European integration, on reforming capitalism and on regionalism and world order.

The fourth context is the crisis of neo-liberalism. It lasted from the financial crash up to the COVID-19 pandemic. As with Brexit, we do not yet know whether this is a watershed or whether the disorder of the last twelve years will continue. It was a time of austerity and a very weak economic recovery from the recession which followed the financial crash, growing challenges to the international rules-based order and to multilateralism, and the rise of populist nationalism and the return of great power rivalry. This took place against increasing challenges, particularly around nuclear proliferation and the environment. But the fragmentation of political authority and the withdrawal of the US under Donald Trump from the kind of leadership role it used to play accelerated the fragmentation of the world into increasingly hostile blocs, with growing strategic competition between the US and China.

In reading these essays the different contexts in which they were written needs to be borne in mind. One of the easiest things to do is to write history with hindsight. One of the hardest is to reconstruct the contexts and the choices which individuals actually faced at different times. Some of these essays look back at how particular debates or events

unfolded. Others seek to understand the contexts which shaped the perceptions which individuals held and the choices they made. The question of what I got wrong and what I got broadly right is taken up in the Epilogue.