

Brexit signals Global Transformation Crisis

Guy Standing

Like lemmings, the British have rushed off the white cliffs of Dover, metaphorically speaking. With victory in the General Election on December 12, as predicted in these pages, Boris Johnson's Conservatives have taken the UK out of the European Union, as of January 31, leaving just eleven months to conclude a complex set of trade and other agreements with the EU. Those will not be done in time, which will cause chaos and recriminations, as the 'Brexiters' blame 'Brussels' for as much as they can.

As someone who has lived and worked in continental Europe for many years, this writer is saddened. But there are implications that should worry all of us. We are at a dangerous point of the Global Transformation, in which democratic systems are fraying and in which the Enlightenment values that European civilisation has tried to uphold are once more imperilled.

Britain exemplifies the thinning and capture of democracy. In the referendum for Brexit in 2016, because of the low turn-out, only 37% of the electorate voted to leave the European Union. That is no majority. In the December General Election, because of the electoral system and low turn-out, only 29% of the electorate voted for the Conservatives. But they obtained 56% of the seats in Parliament.

Ironically, more votes were cast for parties that either wanted a second referendum on Brexit or wanted to remain in the EU than for parties supporting Brexit. And a majority of every age group under 45 voted overwhelmingly against the Conservatives.

There was something more sinister. Both the Brexit campaign and Conservative election campaign were funded by the plutocracy (billionaires, many being foreign), the mass media that supported them are mostly owned by foreign plutocrats, notably Rupert Murdoch, the social media used by the Conservatives are foreign owned, and the public relations company hired to run Boris Johnson's campaign was foreign, run by Australians and New Zealanders.

His campaign managers made sure he was protected from the independent media, notably the BBC, which is required to be politically neutral. They shielded him from being interviewed and from a leaders' TV debate on climate change. Most tellingly, on the evening after the election victory, Boris Johnson was a guest of honour at an elite party held at the London mansion of an ex-KGB Russian spy. One could not make that up.

Immediately, the plutocratic nature of the new government began to show. In January, it was announced that public spending would shift from areas that had deserted the left for the Conservatives to areas where wealthier supporters are concentrated. There were strong rumours of plans to curb the BBC – described by Johnson's personal adviser as the 'mortal enemy' – and its Director General surprisingly resigned. And talks began on a comprehensive trade deal with the United States that will lead to further privatisation of the National Health Service.

What one can also predict is that the government will hand out more subsidies to foreign corporations to discourage them from moving abroad. There are 1,000 Japanese firms operating in Britain, and when one, Nissan, said it was thinking of ending production there, the previous

Conservative government rushed to give it an extra £21 million. Having taken the money, it is now leaving anyhow!

But it is the wider international implications that will most concern Spaniards and the Spanish-speaking world more generally. As the Global Transformation unfolds, the orthodox neo-liberal economics that has predominated since the days of Thatcher and Reagan has created a global system of rentier capitalism, in which the USA is trying to obtain as much of the rentier income as it can, from finance, property and so-called 'intellectual property'. It is

The US economy depends on finance. Back in the 1970s, the income generated by its financial sector was equal to 100% of GDP; now it is worth 350%. Goldman Sachs is a global octopus, providing revolving doors for leading politicians, including some rather prominent Spaniards. A host of other financial institutions are buying up European assets.

To bolster finance, in 1994 the USA globalised its intellectual property rights regime by forcing TRIPS (Trade-Related Property Rights System) through the World Trade Organisation (WTO). Before 1995, fewer than one million patents were filed internationally each year; by 2018, over 3.3 million were filed, each giving 20 years of monopoly profit or in some sectors 40 years. This has benefited American technological, pharmaceutical and financial corporations, and propped up the US economy.

However, the ability to take monopoly profits, or rents, from other countries has been relatively short-lived, since the USA under-estimated China, which joined the WTO in 2001. Since then, it has been accelerating, and by 2011 had overtaken the USA, when it filed five times as many patents as the European Patent Office. Now, annually it files more patents than the USA, Japan, the Republic of Korea and the European Patent Office *combined*. This is gradually turning China into the world's primary rentier state, as well as the world's leading industrial producer.

In finance and in intellectual property, Europe is a backwater. But the USA is in decline, economically, militarily and politically. For all Trump's bombastic chauvinism and aggressive posturing vis-à-vis the European Union and China, that decline will continue. Most of its allies are wary, nervous and suspicious. A danger is that the USA will seek to extract more income from Europe and will see its ability to do so by further fragmenting the European Union, disrupting it as a political project and supporting the plutocratic plundering that the likes of Trump and Johnson allow, and that Putin's Russia quietly supports.

It is no secret that Trump and Johnson are close. In Davos this month, Trump called Johnson 'Britain's wonderful Prime Minister'. But the trade and investment deal the USA will force on Britain will be a Trojan horse. And both Trump and Johnson will quietly encourage further fragmentation of the EU. The next target may be Italy, which is moving closer to giving political victory to the far right, with its blatantly populist agenda and rhetoric.

The biggest threat is to the Enlightenment values nurtured over many generations, the values of equality, liberty and solidarity, which educated Europeans have learned to cherish as the essence of civilisation. We must be alarmed by the threat posed by a bucolic United States led by philistines with no respect for any of those values, desperate to cling to its Superpower status, linked to dubious elites in Europe and Latin America, in particular.

Alarm is necessary, in order to resist. We will only succeed in that resistance if we can forge a distinctive progressive vision and a related strategic agenda around the aspirations and needs

of the European precariat, in search of basic security and an ecological drive to avoid not only the extinction of nature but the extinction of the Enlightenment itself. We can do that. But we had better get on with it.

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