

The fight is on for democratic capitalism, and it has t...

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The Guardian has reported in its morning email news summary today that:

Many areas of the UK that voted for Brexit will suffer the most from the economic consequences of leaving the EU. Researchers at the University of Birmingham studied regional variations in the share of labour income and GDP reliant on the EU, and found that areas in the Midlands and north of England, many of which voted for Brexit, had the greatest exposure to possible negative trade-related consequences. The study appears to contradict claims by the Leave campaign that London benefited the most from EU membership. Looking at Europe as a whole, the study found that an estimated 2.64% of EU GDP was at risk from Brexit trade-related consequences whereas 12% of UK GDP was at risk.

I would also draw attention to Sean Danaher's analysis of a BMG Brexit opinion poll on Progressive Pulse where he noted that by employment status opinion varied widely:

FT/PT Job: 62% remain to 38% leave
Self emp: 87% remain to 13% leave
Student: 87% remain to 13% leave
Part-time work: 61% remain to 39% leave
Retired: 49% remain to 51% leave
LF sick: 44% remain to 56% leave

What is astonishing is that those most likely to lose from Brexit, whether by geography or circumstance, are those most likely to favour it.

Please do not obsess about the precise numbers: they are, of course, open to doubt. That's true of all estimates. But, that said, I think the trends are not really questionable: the opinion polls are very consistent on the most vulnerable in the UK being pro-Brexit even though the campaign was led by those who are by far the most likely to harm the interests of those dependent upon the state for support, simply because most on the Right are most inclined to cut benefit payments and to oppose regulation that assists those whom the market has failed. The geographic evidence is also consistent.

So in other words, the Brexit phenomenon has been the most massive exercise in mis-selling imaginable, despite which we know those who have been persuaded to act against their own rational best interests are adamant in their commitment to what they

voted for.

I cannot better the explanation for this [offered by Simon Wren-Lewis](#). As he says:

*Brexit would not have happened if it had remained the wish of a minority of Conservative MPs. It happened because of the right wing UK press. Brexit happened because this right wing press recognised a large section of their readership were disaffected from conventional politics, and began grooming them with stories of EU immigrants taking jobs, lowering wages and taking benefits (and sometimes much worse). These stories were not (always) false, but like all good propaganda they [elevated](#) a half-truth into a firm belief. Of course this grooming played on age old insecurities, but it magnified them into a political movement. Nationalism does the same. It did not just reflect readers existing views, but rather played on their doubts and fears and hopes and turned this into votes.*

In other words, the vote for Brexit was not rational. The evidence is compelling.

But that's of enormous significance. First, it shatters the whole of the economics on which the logic of Brexit is based. Trade based growth assumes the existence of [homo economicus](#), and yet the Brexit campaign proved the species' extinction.

Second, it shows that the campaign to recapture democracy (because I agree with the likes of [Martin Wolf](#) that this is what is at stake from the capture that this irrationality suggests exists) has to be driven with determination. As Simon Wren Lewis says:

*Why the left rather than the centre? The centre will agonise over what this means for freedom of expression or freedom of the press and therefore nothing much will happen (see Leveson), as nothing happened under Clinton or Blair. That may be a little unfair to both leaders, because the danger of plutocracy may have been less obvious back then, and the media was more restrained. But with Brexit and Trump no further evidence is needed. The left should see more clearly how in practice this freedom is in reality just a freedom to sustain a plutocracy. Only it will have the courage to radically reverse the power and wealth of the 1%. I fear the centre will not have the will to do it. Although Anthony Barnett's focus differs from mine, he puts this point very well here: if all you want to do is stop Brexit and Trump and go back to what you regard as normal, you miss that what was normal led to Brexit and Trump.*

And as he also notes:

*I know from many conversations I have had that there is a deep fear among many of leadership from the left. Here the UK is ahead of the US. The story in the UK used to be that the left could never win, and it was a plausible story, but recent events have cast great doubt on it. That remains the story in the US, but there are good reasons for doubting it there too. There is no reason why all of the disenchanted who fell for the lies of the snake-oil salesmen could not support radical remedies from the left: identity and*

*the media are strong but it is economics that dictates the swings.*

*In the UK now the story seems much more elemental: that somehow the left threatens the existence of capitalism and democracy. In truth there is no way Corbyn could persuade the Labour party to abandon democratic capitalism, just as there is no way Sanders or Warren could do the same in the US. All we are talking about is rolling back many of the results of neoliberalism. But it is difficult to logically convince someone the ghosts they see do not exist. In contrast to these ghosts on the left, the dynamic of plutocracy that I have described here is very real, and it requires radical change to bring an end to this dynamic.*

I can but agree. This is the task that we face.

And don't doubt that it is a big one.