

Funding the Future

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As I have noted this morning on Twitter, there is a certain curiosity in watching a state descend into chaos, unless you happen to be living in it. Such is the fate of those living in the UK at this moment.

It's fair to say that this is not good news:

[embed]<https://twitter.com/stevepeers/status/1336804419141296129?s=21>[/embed]

Having noted Johnson's performance at PMQ's yesterday, where he seemed to make clear that he expected all movement to now be on the EU aside, I think it fair to presume that there will be no deal by Sunday. All the talk of oven readiness, and all the guff offered since 2016 on how this would be the easiest deal to agree in history has proved to be utter nonsense. There is no deal to be had because the UK has not sought one.

Even now it is worth understanding why that is. And the answer is not hard to find. The obduracy, closed mindedness, or whatever else you wish to call it, on the part of the UK negotiators, starting from the top, is based on a naive belief in three things.

One is in competition. The Tory party has become obsessed with an ultra-naive version of economics that suggests that gains are always maximised when unconstrained competition is permitted. Hence the objection to the EU, and its principle of cooperation. This is anathema to this economic belief.

The second is an objection to regulation, because this naive belief presumes that all regulation is anti-competitive by definition, and so contrary to well being. Hence the objection to the level playing field, for example. Since this belief holds that all regulation might limit the opportunity to exploit, whether it be fish stocks, people living in the UK or the environment, in the interests of profit then it follows that regulation must be bad.

And third, there is a belief in British exceptionalism. Underpinning the naive economics is a belief that we are simply better than everyone else, and that all the EU has tried to do is constrain our excellence to prevent us achieving our potential. Decades of

evidence of British failure, much of it the consequence of arrogant belief that we have only to turn up to win, has shown that this belief is utterly misplaced, but it persists nonetheless.

These three beliefs are enough, in themselves, to explain the British (or rather, English) negotiating position. Johnson evidenced all three in his performances yesterday. I think we can safely assume based on the statement issued by the EU from Brussels that all three were in evidence over dinner last night.

I see no prospect of any change in these positions over the next three days. The beliefs are too firmly held to be changed now, however stupid and misplaced they might be. Once upon a time in the decidedly basic lectures on economics provided by Oxford PPE courses these ideas were taught as truth, by an institution itself grounded in an arrogant belief in its own natural superiority that recruits those taught to believe in their own pre-eminence. To dislodge what was taught as faith cannot happen now.

We will as a result get what I have long thought likely, which is no deal. And we will descend into chaos as a result. The hard evidence that competition requires intense levels of cooperation to work, and that effective regulation is the lynchpin of effective markets has been ignored because a few in this country are certain that they are right to ignore facts of that sort because 'the few' who reject that evidence know best.

There is, though, no hope that they are right. The reality is that no company is better than its supply chains. There is no market that can exist without rules. And exploitation is most certainly not a route to long term prosperity. But to learn this it seems that we must break supply chains, undermine regulation and seek to permit exploitation of the many by the few.

The crisis of neoliberalism has arrived. I thought that would happen in the States. But they have had the sense to evict Trump before it was finally too late. For the UK that chance came and went a year ago, and tepid opposition aided and abetted Johnson to win a majority for his plan to wreak havoc.

That is what he will now deliver. There is no way out of this. The reality that we face is that the UK is the first nation that might have consciously chosen to tear itself apart.

What will survive this process I do not know.

I very much doubt the Union will.

I suspect that the new states that will emerge, in whatever form they take, will reflect in their behaviour rejection of the chaos that will give rise to their creation.

But what really troubles me is that I cannot see this as being a peaceful process. It is no comfort that those in the civil service tasked with managing 2021 do not do so either. The risk of civil disobedience is clearly factored into their plans. I think it will happen.

The stresses this process is going to create would seem to make that unavoidable.

This country has no prospect of prospering mightily as this year now comes to an end. The best that can be hoped is that from the ashes of the chaos that we must now endure a new vision will emerge that is very far removed from that which has brought us to this point. I can live in hope. But the journey is one I would never have wished to take.