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The decomposition of the modern state has reached a new stage, in the very country where
the modern state was invented. It was the UK under Thatcher that blocked the development
of the EU into a supranational welfare state on the postwar British model associated with
Keynes, Beveridge and T.H. Marshall. Since then the neoliberal revolution, led by the US and
the UK, has for ever closed this window. Instead of protecting Europeans from the maelstrom
of the world market, the EU has turned into a powerful engine of liberalisation in the service
of a deep economistic restructuring of social life. Under the aegis of the EU, the UK has
reverted to being two nations, a nation of winners using the globalised world as their
extended playing field, and a nation of losers driven from their commons by another
firestorm of primitive accumulation. Seeking refuge in democratic protection, popular rule,
local autonomy, collective goods and egalitarian traditions, the losers under neoliberal
internationalism, unexpectedly returning to political participation, place their hopes on their
nation-state. But the existing architecture of statehood is no longer designed to accommodate
them, certainly not in the land of Thatcher, Blair and Cameron. Here, those lucky enough to
command subnational political and institutional resources, in Scotland in particular, hope to
use the EU’s supranational state regime to break up the national state regime of the UK, nota
bene to regain and extend local control, and clearly not to cede it to an authority even more
remote than London.

Discontent is widespread. In many other European countries, a similar referendum would
have had a similar result. Clearly supranational superstate-building has failed as a political
programme, and so, as is now becoming apparent, has the centralised market-building
nation-state designed by Thatcher. What comes next? The extent of post-referendum
confusion in Britain shows how difficult the issues are. That, for different reasons, the Leave
supporters had no Plan A, and the sitting government no Plan B, should not be a surprise.
What is surprising are the calls for another referendum, Brussels style, ‘until they get it right’ –
and more surprising still is the anti-Corbyn putsch got up by the same Blairites who were so
crushingly deserted by Labour voters. The agenda is daunting. How to balance local and
cosmopolitan identity, and how to deal with their different combinations of places, classes,
interests? How to combine local protection and global participation? Distinguish protection
of traditional ways of life and diversity from xenophobia and racism, and progressivism from
elitism? Where to draw the lines, where to open up, to defend borders, work out
compromises, accept living with conflicts and contradictions, and respect passions and
interests that we don’t share?

In the end it will be up to the left to find constructive answers. At the level of European
institution-building, one might think about using the impending negotiations on Britain’s
links with the remainder of the EU to make Europe more flexible, less hierarchical, more
voluntary, and more in line with what is called ‘subsidiarity’ in Eurospeak. A Europe of
‘variable geometry’ might be attractive not just to post-membership Britain, and pre-
membership Scotland, but also to the small countries on the margins of today’s EU, like
Denmark and Switzerland, not to speak of would-be countries like Catalonia or, perhaps,
Wales. I could imagine something like an EU-lite, a platform for voluntary co-operation
between countries and regions through treaties and conventions, a flexible social compact of self-governing political units, often smaller than the large nation-states of today and taking advantage of their small size and the associated ease of movement and decision-making to position themselves productively in the global system, according to their specific resources and capabilities. Such a structure would have to be created bottom-up, bypassing the would-be Leviathan, or Behemoth, in Brussels; it would offer an alternative pattern of European integration and perhaps of modern international statehood, below the superstate envisaged under the ‘ever closer union’ formula of the old, now outdated treaties, and open to all EU member countries, including members of the EMU. (Interesting models of a two-level currency union are now in circulation.) Not a Europe of two speeds, as French and German integrationists have sometimes proposed, but one of two kinds, competing for national and subnational adherence until France and Germany are left as the only members of the old Brussels establishment.