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Between the Crises: Migration Politics and the Three Periods of Neoliberalism

Abstract

Between the two UK referendums on EC/EU membership, the issue of migration came to dominate the entire debate. The period between 1975 and 2016 corresponds almost exactly to the neoliberal era in capitalism, in its British manifestation, and this is not coincidental. This article traces the shifting periods of neoliberalism (‘vanguard’, ‘social’ and ‘crisis’) across these 40 years, focusing in each case on how the policies associated with them specifically impacted on migration into the UK. In particular, it will argue that the current migration crisis is at least partly an aspect of the wider crisis of neoliberalism as a form of capitalist organisation. It concludes that current levels of anti-migrant sentiment are a displaced expression of hostility to the social effects of neoliberalism, and which may nevertheless cause difficulties for British capital through the imposition of anti-free movement policies to which it is opposed.

Keywords

Brexit, Britain, Migration, Neoliberalism

Introduction

On 5 June 1975 a referendum on whether the UK should remain in the European Community (or Common Market) resulted in 67.23% voting to stay and 32.77% to leave. Forty-one years later, on 23 June 2016, a further referendum on whether or not the UK

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should remain in the European Union resulted in 51.89% voting to leave and 48.11% to remain. The electorate was larger in the second referendum and the result closer, but the greatest differences between them lay in the arguments used by those opposed to membership. Arguments for remaining in the EC/EU have been relatively constant: for a majority of the representatives of British capital economic advantages have been paramount; for the liberal left, particularly since the 1986 Single European Act (SEA), membership has allegedly conferred important social protections for workers, minorities and the environment.

Referenda campaigns invariably create unlikely bedfellows and the two referenced here are no exception, with the left, who dominated the no side in 1975 being joined by right wingers such as Enoch Powell. Business was enthusiastic about membership of the EEC, with only 8 of 12,000 polled CBI members expressing opposition (http://www.bbc.co.uk/news/business-35811941). In 1975 the key arguments for leaving were questions of democracy and national sovereignty. Nevertheless, the key point for the purpose of this article is the contrast with the 2016 referendum, and the complete absence of migration as an issue in 1975. In 2016 the arguments for leaving were still nominally about democracy and national sovereignty (‘taking back control’), but with two important differences. The core issue over which control had to be exercised was now migration and, unlike in 1975, the right dominated the Leave campaign. The campaign itself was fought on the basis of migration and money, whether migration was good for the economy or not on the Remain side and its impact on communities on the Leave side. That said, many on the remain side argued that Britain could negotiate a more restrictive immigration practice while remaining inside the EU, evident in both David Cameron’s attempted renegotiation and comments and speeches made by the likes of Tony Blair since the vote on ways to stay
in the EU and at least limit free movement. On the whole capital remained as it had been in 1975, supporting continuing membership.

The period between the two referendums spans the neoliberal era in capitalist history, from the initial moment of transition under the 1974-79 Labour government through to the present crisis, which began in 2007.

The ‘crises’ to which our title refers are of two different types. One refers to the two most recent periods of capitalist crises: 1973-82, which initiated the neoliberal era; and 2007 onwards, which may see its termination. The other refers to the current ‘crisis of migration’. The latter is clearly connected to neoliberal doctrines of free movement in the interest of capital, but cannot be reduced to it, as it also includes refugees whose situation may well be a consequence of developments within global capitalism, but not specifically of the crisis of the neoliberal order. Our focus here is on migrants who are directly affected by that crisis.

Our focus on the UK is partly practical and partly theoretical. For practical purposes, the development of neoliberalism and migration policy in multiple nation-states over 40-years is too big an undertaking for a single article, although we believe that such comparative work would instructive; but, precisely because the UK is (along with the USA) the most ‘advanced’ neoliberal regime, analysis of it may point towards future developments elsewhere.

In what follows we will attempt to show the relationship between the politics of migration and the transformations of neoliberalism over the last forty years. This distinct stage in capitalist development can be periodised in several ways. Davies, for example, refers to successive variants as ‘combative’ (1979-89), ‘normative’ (1989-2008) and ‘punitive’ (2008-) (2016, 124-134). We broadly share his periodisation, but here use the
categories earlier developed by (Author A), namely ‘vanguard’, ‘social’ and ‘crisis’, although it is increasingly clear that this last is becoming a transition to a further, as yet unnamed stage in capitalist development (Author A). Before turning to the shifts within neoliberalism, however, it is first necessary to define it.

1. Neoliberalism: Definition, Origin and its relationship to migration

The term neoliberalism can be sensibly used in three ways. One is to describe the ideology which emerged in Central Europe during the 1930s in opposition to ‘socialism’ and which later migrated to the Economics Department at the University of Chicago. The adherents of this conception of neoliberalism were supporters of neo-classical economics, but with an important difference: they did not believe that the market order was a spontaneous result of human activity, but one which would have to be brought into being by the state.

A second use is to describe it as a strategy followed by states in response to the return of economic crisis in 1973 which sought to shift the balance of forces between labour and capital, in the first instance by weakening the trade union movement. In this sense, neoliberalism was a solution to ‘a structural crisis of capitalism’ in which ‘policies, practices and institutions’ which had hitherto served capital accumulation no longer did so (Campbell 2005, 189). The inadequacy of Keynesian policies was itself the result of changes to the nature of the world economy which had taken place during the long boom, and which made these policies increasingly difficult to apply with any possibility of success.

The third use is to identify it as the entire era in the history of capitalism since the strategy began to be applied. It is important to understand, however, that it was not inevitable the post-1973 era would have this character. There were moments in most major countries when different outcomes were possible, but by the mid-late 1980s it began to be
clear that this was not a mere shift in the balance of class forces, but a new settlement in favour of capital.

The emergence of neoliberalism therefore took place in response to the end of the post-war boom, but in changed conditions created by that boom. The failure of Keynesianism and other forms of state capitalism to prevent crises of accumulation predisposed many capitalists, state managers and politicians, to embrace theories which they had earlier rejected; but even then, the policy shifts which followed were as often pragmatic adaptations as they were born of ideological conviction. Reich suggests that existing neoclassical theories ‘did not cause the shift; at most, they legitimised it’ (2009, 12).

By autumn 1976 leading figures on the right and centre of the Labour Party had essentially accepted the case for a number of New Right positions, including those on immigration. The result, was to both give credibility to the arguments of those who advocated these solutions from principle, and to expose Labour’s own inability to deliver them in the face of opposition from the trade union movement and its own left wing. Chang refers to this period, between 1973 and 1979, as an interregnum between the Golden Age and that of neoliberalism proper (Chang 2014, 87-106). What attitudes to migration prevailed in this pre-neoliberal period?

Attempts at migration control, as in most attempts at control, have never been perfected. Each time governments have sought to end types of migration people have found ways of circumventing controls. What follows is therefore suggestive of Governments’ stated desires rather than whether their ambitions were realised. Post war governments in Britain were split on how to see migration, some seeing unity of empire as primary and some that viewed migration as an economic necessity, both of which supported migratory movement to varying degrees. However, there was always another elite view, which
presented migration as a threat to cultural purity. This meant that compromise was always necessary: ‘The lure of cheap labour has to be balanced against the need to patch together the necessary alliances of populists and conservatives that will keep the system afloat’ (Davison and Shire 2014 5).

This historically led to simultaneous openness and restriction. In policy-making terms the ‘liberal’ part of migration policy-making tends to have been governed by immigration rules and operational changes. It is in the restrictive side that primary legislation has been used, and it has led to a series of Acts of Parliament that sought to limit primary migration, with varying degrees of success. The mobility rights of imperial subjects became incrementally restricted from the early 1960s as the UK morphed into a post-colonial state.

The early 1970s and the oil shock are often presented as a critical juncture in migration policy and practice, when primary migration was ended. Indeed Layton Henry argues that Britain stands out as the world’s foremost ‘would be zero immigration country’ that sought to bring immigration to an ‘inescapable minimum’ (Henry in Joppke 1999 100), primarily as a result of the oil crisis. On the face of it the notion of 1973 as a turning point appears wrong in the case of the UK, with the seminal 1971 Immigration Act passed prior to that point. However, the oil crisis did aid the UK Governments arguments for immigration restriction and from 1973 the British government sought to end primary immigration (Hammar 2006 238).

2. **Vanguard Neoliberalism, 1979-1992**

The establishment of neoliberal hegemony usually required an entirely new political regime, one which did not reluctantly acquiesce in policies they would rather have avoided, but who were fully committed to their implementation. Initially, this meant the established parties of
the Right, though Australia in 1983 and New Zealand in 1984 are exceptions. In the British case the role of Thatcher was crucial to what followed. Here, the dynamic behind the neoliberal turn came from a minority within the newly elected Conservative Party which acted as the vanguard of the British capitalist class. As late as the aftermath of the 1983 General Election, Thatcher could still note that: ‘There was revolution still to be made, but too few revolutionaries’ (Thatcher 1993, 306).

The extent to which neoliberalism has been successfully imposed in any country has depended on reductions in the power of organised labour. In most cases the attack on trade union power involved three overlapping strategies, all premiered in the UK after 1979.

The first was to deliberately allow mass unemployment to grow by maintaining high interest rates and refusing to provide state aid to industries. Sir Adrian Budd, Chief Economic Advisor to the Treasury between 1991 and 1997, highlighted that the Thatcher governments had work to do in taking their own party with them, as some politicians never believed that ‘raising unemployment was an extremely desirable way of reducing the strength of the working classes’ (Curtis 2010). Unemployed people themselves were treated increasingly harshly as the recipients of benefits with ever-decreasing value and the subjects of complex bureaucratic regimes. One effect of growing unemployment was to discipline trade unionists into accepting what would previously have been unacceptable, including foregoing wage increases or even agreeing to reductions in existing wages. In contrast to the situation which developed in the 1990s and 2000s, the effect of high unemployment was to temporarily minimise British capital’s need for migrant labour, a fact that also chimed with Thatcher’s restrictionist impulses.

The second strategy was to provoke decisive confrontations between state-backed employers and important groups of unionised workers, above all The National Union of
Miners in the UK (1984-5). The imposition of neoliberal regimes required imposing the type of defeat which had not yet occurred, but which the weakening of the trade unions made possible. These defeats then acted as examples to other unions, against a background of multiplying legal restraints and increasing employer intransigence. The all-out frontal attacks on the labour movement and working class conditions characteristic of the first stage of neoliberalism largely ceased by the late 1980s, mainly because the earlier onslaught had achieved the basic aim of weakening the labour movement.

The third strategy was to establish new productive capacity, and sometimes virtually new industries in geographical areas with low or non-existent levels of unionisation, to prevent as far as possible the culture of membership from becoming established. This was a more prolonged, molecular process than the first two strategies, and one in which the employers rather than the state took the lead, although the latter gave support through grants, subsidies and tax breaks.

The successful onslaught on the labour movement by the vanguard regimes allowed all other components of the neoliberal repertoire that Harman calls ‘anti-reforms’ to be implemented (2008, 118). The policies which proved most enduring include: privatisation, flexible labour markets, outsourcing, deregulation and the removal of exchange controls, abolition of protective tariffs, commodification of services once provided free at the point of use, the shift from direct and progressive to indirect taxation, and a monetary policy dedicated to low levels of inflation. But neoliberalism as a system incorporating these elements only emerged in piecemeal fashion, after many false starts, accidental discoveries, opportunistic manoeuvres and unintended consequences.

The neoliberal onslaught also opened up the possibility of three longer-term developments, which were maintained throughout the following periods. The first was to
increase the probability that, as economic growth resumed, as it increasingly did from 1982, that it would primarily benefit capital. The second was that, while forcing wage levels to remain stagnant or decline in real terms was a desired outcome in one respect, it caused difficulties in another, namely falling levels of consumer expenditure: the answer, of course, was to create hitherto-unknown levels of working class debt. The third was to assist the social and liberal democratic parties to adapt to neoliberalism, ensuring that it would not be reversed. ‘Neoliberals aimed to develop a thoroughgoing re-education programme for all parties to alter the tenor and meaning of political life’ (Mirowski 2009, 431). As we shall see in part 3 below, the ascent of these transformed parties of the centre-left to office signalled the advent of social neoliberalism.

Thatcher criticised British society for simultaneously being insufficiently individualistic in economic terms, by collectively relying on comprehensive education, public housing, trade union organisation and other ‘socialistic’ innovations; and too individualistic in social terms, by rejecting deference, order and obedience to parents, employers, police and authority in general (Sinfield 2004, 337). ‘We are reaping what was sown in the sixties’, she announced in 1982: ‘fashionable theories and permissive claptrap set the scene for a society in which old values of discipline and restraint are denigrated’ (quoted in Marwick 1997, 4). She wanted to reverse the equation, forcing the British to be free in relation to economic activity, but unfree in relation to social morality and state legality. Yet, as Vinen has argued, what this means is not that Thatcher was opposed to all of the ‘post-war consensus’. In fact, Thatcher defended two key aspects of it: namely the deeply conservative social values associated with issues of race, gender and sexuality; and the Cold War NATO alliance with the US. If anything, it was the Labour Party, who broke with aspects
of the consensus between 1979 and 1983, when it embraced identity politics and unilateralism (Vinen 2009).

The 1970s and 1980s was also a period of intense hostility to both migrants and Britain’s racialised minorities. Prior to the 1979 General Election, Thatcher had given a strong indication of the direction of travel should she be elected as Prime Minister. In a 1978 interview on World in Action she commented that British people were feeling ‘swamped’ by people of a different culture, a position praised by Hayek in a letter to the Times in Feb 1978. In it he looked forward to a day where migration controls would be unnecessary, and determined by the market, but that during the present economic transformation migration controls were an unfortunate necessity. Thus, neoliberalism and restrictive borders were not viewed as incompatible. In policy terms, on the election of the Conservative Party in 1979 a major piece of legislation with regard to immigration was enacted through what was ostensibly legislation on citizenship, the 1981 British Nationality Act. This Act was prompted by concerns over the recent arrival of East African Asians from Uganda. The relatively small number of Ugandan Asians expelled by Idi Amin had allowed the government leeway to grant entry. However, there was a feeling that an anomaly in the law existed that required change, that ‘it was time to end the tradition of paternal descent’ (Hansen 2001 79). Incremental restrictions continued in the 1988 Immigration Act, which annulled the right of new Commonwealth immigrants settled before 1973 to bring family members to Britain. They now had to show they had housing and income to support dependents. The vanguard period was ultimately one where migration was limited and access to the rights of citizenship restricted (Hussain 2001).

Despite today being viewed as a Eurosceptic, Thatcher also presided over decisions to increase the mobility rights of citizens of EC member states. Non-economic rights of
movement emerged in the 1986 SEA, which expanded the scope of free movement by referring to the free movement of ‘persons’ rather than ‘workers’. The European Court of Justice has since helped to establish a movement ‘regime’. However, the UK view was that this did not prevent controls for those from outside the then EC and allowed the Luxembourg compromise to remain, permitting the invoking of national interest as a rationale for the interruption of any of these forms of free movement within the EEC.

The Treaty of European Union signed in 1992 (also known as the Maastricht Treaty) took such mobility further by extending the free movement of persons to the free movement of all nationals of member states. That is, the permission to reside in another member state would no longer be contingent on employment. Increased European integration also tied commodity markets to labour markets. ‘Insofar as Thatcher was pro-European, it was largely because she saw the EC almost exclusively as an organisation for promoting economic liberalism in the industrial and service sectors’ (Moravcsik 1991 31). She was right. Yet from the moment the Commission published the 1985 White Paper, *Completing the Internal Market*, the direction of travel has been increasingly in what we would now regard as a neoliberal direction: ‘National markets should be deregulated and liberalized; national companies were to be privatized. An emerging common competition policy was to secure that the market was no longer disturbed through state intervention or ownership even in areas such as telecommunications, public procurement and energy’ (Bieler and Schulen 2008, 233).

In cases of worker’s rights, or for that matter social rights emanating from the EC, Thatcher remained hostile. It would have made little sense to have removed labour rights domestically only to then acquiesce to their re-emergence at the European level.
Nevertheless it is worth noting just how minimal most of the so-called protections offered by the EU actually are:

The EU has adopted a number of directives that deal with social-policy issues. But these directives hardly harmonise existing social-policy legislation: instead, they introduce an absolute minimum level which has no effect in most member states, because it is well below the national standards. And in the case of more ambitious policy initiatives such as those in the field of employment, failure to meet their respective targets is not threatened by sanctions, as failure to meet the convergence criteria has been (Hermann and Hofbauer 2007, 132).

The British left had originally been hostile to the EU and in 1975 most argued for the UK to leave; but following the electoral consolidation of the Thatcher regime during the 1980s a remarkable change in attitude took place. In the British case this was clearly a response to the defeats suffered by the trade unions, but it was emblematic of a wider process. The French case is particularly significant as the Socialist Party government that came to power in 1981 was the last serious reformist experiment in Europe before that of SYRIZA in 2015. Within two years it had abandoned all its promises to achieve positive reforms for the working class and began to implement neoliberal policies. The person mainly responsible was Jacques Delors, the Finance Minister, who later became the president of the European Commission. As a supposed socialist, he was able to sell the notion of the EU as an essentially social-democratic, solidaristic institution to the British Trade Union Congress and the Labour Party in the late 1980s.
Overall Thatcher’s period in office can be characterised as broadly zero immigration years, not only due to the Government’s restrictionist outlook, but also due to the deep recession and global politics. That is, the existence of the Iron Curtain and its impact on mobility remained. Thus despite a broad neoliberal policy and practice characterised by deregulation, as Harris points out, migration was the one excluded part of this liberalisation (Harris 1995 157). What is more, the attack on worker’s rights and the spike in unemployment had provided excess labour without the ‘need’ for migration.


At the very moment neoliberalism consolidated into a coherent programme, it underwent a crucial mutation. Within a ten-year period, after the fall of the Berlin Wall in 1989, all of the vanguard parties were replaced in office. However, as Callinicos notes, ‘the hegemony of neoliberalism is demonstrated precisely by the fact that its policies survived the electoral defeat of the parties that inaugurated it’ (2001, 7). Why could the neoliberal order not simply have been maintained by the original vanguard regimes? The answer is provided by leading neoliberal practitioner, Alan Greenspan who stated that ‘The global economy—which must move forward if the world’s standards of living are to continue to rise and poverty to retreat—requires capitalism’s safety valve: democracy’ (Greenspan 2008, 332). No party can stay in power forever, given democratic conditions, especially if they have introduced policies which are detrimental to large numbers of citizens like those which launched the vanguard regimes. As long as citizens have democracy, and as long as they have political parties prepared to represent their interests—however inadequately, there is always the possibility that the neoliberal order might be undermined.
Neoliberal solutions to this dilemma were twofold. The first was to ensure that only sympathetic politicians are in control of the state, if necessary by non-democratic means. What we might call the Chilean option is not however the preferred one. The preferred solution was suggested precisely by the recognition that while formal democracy was desirable, substantive democracy was problematic. It is unlikely, for example, that Hayek would have recommended holding a referendum on membership of the EU. In 1939, he recommended that economic activity should be removed as far as possible from the responsibility of politicians who could deploy it for electoral purposes (Hayek 1939). As several commentators have pointed out, the EU has followed Hayek’s advice by centralising power in the hands of appointed officials (Anderson 2009a, 64-66; Streeck 2014, 97-103). As Offe contends, ‘it is precisely those EU institutions that have the greatest impact on the daily life of people which are the farthest removed from democratic accountability’ (2015, 114).

As a non-state actor the EU was obviously a special case, but the twin approach it began to perfect from the mid-1980s was subsequently reflected in the USA (from 1992) and the UK (from 1997). The Clinton and Blair administrations were formally characterised by social or liberal democratic rhetoric, able to incorporate the language of social solidarity while maintaining and even extending the essential components of neoliberalism (Anderson 2001, 7). They brought an additional, more ameliorative element into the repertoire of neoliberalism. This apparent supplementing of the naked laws of the market was originally marketed as a ‘third way’ (Giddens 1998). It is more accurately described by Law and Mooney as ‘social neoliberalism’, since it involves not a synthesis of the two, but an adaptation of the former to the latter (Law and Mooney 2007, 264-265). More recently, Fraser has referred to the same phenomenon as ‘progressive neoliberalism’ (Fraser 2017).
As Hatherley points out, social neoliberalism (he calls it ‘social Thatcherism’), did not begin with New Labour, but the post-Thatcher Conservative Government (Hatherley 2010, xiii-xiv). However, it is also important to note that Major was not able to carry out the shift to social neoliberalism, largely because of the impediment posed by the dominant strand of Tory membership which is deeply committed to social conservatism. The transition was, in Gramsci’s terms, from a war of manoeuvre to a war of position. It involved a frontal onslaught on the labour movement and the dismantling of formerly embedded social democratic institutions (‘roll-back’), followed by the gradual commodification of huge new areas of social life and the creation of new institutions specifically constructed on neoliberal principles (‘roll-out’) (Peck and Tickell 2002, 40-45; Law 2009, Gramsci 1971, 229-239).

Central to this shift were the social democratic parties that had traditionally seen their role as reforming, or even transcending capitalism, with New Labour in the vanguard. How did they come to play the role of open, unapologetic, supporters of the capitalist system, and in its most uninhibited form at that?

Gregory Elliot argues that social democracy evolved over three distinct periods: 1889-1945, 1945-1975, and 1975-date (Elliot 1993,1-17). As a movement, it has always been fundamentally supportive of capitalism in practice, but during the first period it was committed in rhetorical terms to abolishing it. In particular, from the split in the Second International and the Russian Revolution onwards, it was able to present an explicit reformist strategy for achieving socialism, as opposed to the revolutionary one advocated by the Communist Parties: using the bourgeois state rather than destroying it.

The second period coincided with the post-war boom and allowed the possibility of positive reforms for the working class without the need to transform the system, although these were also delivered by forces to the right of social democracy. During this period at
least some ‘revisionist’ discussions argued that the system had already been self-transformed by Keynesianism and the Welfare State into something that no longer deserved the name of capitalism (see, e.g. Crosland 1952).

The crisis of the 1970s destroyed these illusions and saw the onset of the third period: once the possibility of reform seemed to be removed by the imposition of neoliberalism, all that remained, for the leaderships at any rate, was the commitment to capitalism and some residual rhetoric: do whatever was necessary to save capitalism, then we could maybe think about further reforms. Central to this process was the crisis of Keynesianism. In ideological terms, the collapse of the Stalinist regimes did not so much ‘prove’ as confirm the already widely held belief that any alternative form of economy to neoliberal capitalism was impossible. The real ideological shock, although one which was more slow-acting, had been the earlier revelation that Keynesianism and the Welfare State in its post-1945 form was incompatible with capitalism, at least as anything other than a short-term expedient (Sinfield 2004: xxx-xxxiv). Gerassimos Moschanos summarises the current politics of the former social democratic parties as ‘the ‘economic’ state withdraws in favour of the market and the ‘philanthropic’ state timidly re-emerges to reduce the social costs to the market’ (2002, p. 200). But social costs are considered only in relation to the market.

In addition to an acceptance of neoliberalism as the only viable economic order went a more party-political orientation which assumed that the only way the Labour Party could get elected was by embracing neoliberal economics but with a social conscience: in effect, the function of the party was not to convince or persuade the electorate of a particular political course of action, but simply to reflect its existing attitudes, which mysteriously
aligned with what the governments were already predisposed to do – except, of course, when they were not, as in the case of the Iraq War.

In Britain, the capitulation of the Labour Party represented the final stage in the normalisation of neoliberalism: the point at which it became accepted, not as a temporary aberration, but the framework within which politics would henceforth be conducted. In a sense a neoliberal consensus replaced a welfare consensus. In Britain, the vanguardists of the Conservative Party regarded the transformation of the Labour Party as one of their greatest achievements, because it ensured that the process would not be reversed (Harris 2009).

Social neoliberalism was able to seduce sections of hitherto hostile middle classes, not by appealing solely to their economic interests, but by claiming that it embodied forms of social concern and tolerance in a way that vanguard neoliberalism could not. This new coalition of economic and social liberals was seen as both an electoral necessity but also as indicative of a new philosophical approach, combining the ‘third way’ with elements of communitarianism.

For all practical purposes, members of the ruling class in the West are united in accepting neoliberalism as the only viable way of organizing capitalism as an economic system; but the same class is divided in relation to how capitalism should be organized as a social system. They may all be neoliberals now, but they are not all neoconservatives. In the US both Democrats and Republicans are openly committed to capitalism, but there are real divisions of opinion between them concerning, for example, gay rights or environmental protection. Indeed, as James Davis writes, although ‘the social democratic and liberal left has embraced neoliberalism…the centre-left must also pay homage to ideas of justice and
equality, most often directly at odds with their concrete economic policies’ (Davis 2012, 101)

What this meant in practice around migration and race was a form of bounded liberalism, bounded by the desire to be seen as in control, necessary for the image of national coherence, alongside migration being viewed as less of a problem, though asylum continued to be problematised. Control on one side allowed openness on the other. Tony Blair announced ‘we will neither be Fortress Britain, nor will we be an open house. Where necessary, we will tighten the immigration system. Where there are abuses we will deal with them, so that public support for the controlled migration that benefits Britain is maintained’ (Speech to CBI April 27th 2004). In a sense, only through being tough on unwanted migrants could acquiescence be maintained for those who were wanted. In a sense there was a displacement crisis created, whereby the numerically smaller numbers of asylum seekers and refugees were continuously problematised as the unwanted migrants. This had the dual effect of giving the appearance of being ‘tough’ on unwanted migrants while simultaneously keeping attention on them at a time when new migration routes were being created to allow employers to source labour. These wanted migrants were seen as such as long as they met two conditions, that they were ‘controllable’, though enlargement in 2004 made this an issue for the Government, and that they were ‘good for the economy’.

On the asylum side the new Government did a volt face on most of its criticisms of the 1993 and 1996 Acts, accepting and extending a series of socially regressive Acts aimed at refugees. 1997 to 2008 was a period of legislative activism on asylum with five major acts of parliament almost all aimed at preventing the arrival of asylum seekers and making the lives of those who do arrive increasingly difficult. The aim was partly to show a ‘toughness’ and partly to discourage other asylum seekers from applying, though there has never been
any evidence of pull factors in asylum (Robinson and Segrott 2002). The Government sought to portray their position as a non-contentious and rational problem solving one, indicative of the neoliberal approach of viewing policy-making as technocratic rather than overtly political.

Of more relevance for this article is so called economic migration. There were two aspects to the liberalisation of labour migration, European enlargement and a series of schemes aimed at attracting the right ‘type’ of migrants. Emerging from the Treasury and the Department for Trade and Industry, ‘managed migration’ was to become a fundamental part of Labour’s overall economic strategy and as such more open labour migration, though never open borders, was integral to social neoliberalism in Britain.

The Labour Government sought ways of sourcing high and low skilled workers for British capital. This can initially be seen in the multitude of schemes established, the Highly Skilled Migrants Scheme, extension of the Seasonal Agricultural Workers Scheme and numerous Sector Based schemes, alongside GATT agreements on intra-company transfers, all ostensibly about ‘sourcing’ different migrants or worker ‘types’ for employers. In 2000 in the speech widely viewed as launching the liberalisation of economic migration Immigration Minister Barbara Roche argued that Britain was in competition for the ‘brightest and best talents’ where ‘the market for skilled labour is a global market and not necessarily a buyers’ market’ (speech to IPPR September 11th 2000). Such an approach chimes with wider New Labour policy and philosophy, that economic globalisation is a good thing but that this means that Britain must compete for both capital and ‘talent’. That said, managed migration as it related to the EU tended to be more about lower skilled jobs. Citizens of new member states were seen as people able to fill jobs that could not be filled by existing populations. And as the UK continued to move towards a lower skilled service economy such jobs
remained plentiful. Thus the social neoliberal approach implied an immigration policy that was responsive to business interests on behalf of UK plc. The difference with the previous Government is outlined by Consterdine and Hampshire; ‘While Thatcherism’s economic programme pointed towards a more liberal immigration policy, its commitment to national identity and tradition pulled in the opposite direction’ (2014 285). They continue, ‘what was ‘new’ about New Labour was its embrace of neo-Thatcherite ideas, adapted and extended into a hyper-globalist understanding of the economy, and yoked not to an insular account of national identity but to an inclusive and even cosmopolitan conception’ (Ibid). Such an approach was enthusiastically supported by the CBI (see for example Duvell and Jordan 2003 321/322). It was this attitude that Teresa May was at least pretending to criticise more recently in her already infamous line that “if you believe you’re a citizen of the world, you’re a citizen of nowhere’ (Telegraph 5th October 2016) (see also Craig Calhoun on ‘the cosmopolitanism of frequent flyers’ (Calhoun 2003: 91, 113).

From the perspective of the UK Government there was clearly a symbiosis between migration schemes and European enlargement. Central and East Europeans were viewed as both a new source of labour and as an alternative to non-EU migration. Thus in deciding not to impose interim restrictions on citizens of new member states, a clear ramification was restricting access of low skilled non EU workers. Full rights to work were granted to citizens of accession countries on them joining the EU from May 1st 2004. Joining Ireland and Sweden in granting such rights Foreign Secretary Jack Straw argued that the Governments approach would ‘attract workers we need in key sectors’ and ‘ensure they can work without restrictions and not be a burden on the public purse’ (Hansard Dec 10th 2002 Col 12WS). This alone should cast doubt on the claim by Goodhart that: ‘Britain became a mass immigration society, much as it became an imperial one, in a fit of absence of mind’ (2017,
Interestingly Straw also argued that such an approach would leave the immigration authorities free to deal with ‘real immigration problems’ as opposed to ‘trying to stop EU citizens enjoying normal EU rights’ (Hansard Dec 10th 2002 Col 12WS). Thus only people coming from outside of the EU were potential ‘immigration problems’. This dominant Europhile position in the Labour Party viewed Europeans as part of ‘us’ and non-Europeans, or at least low skilled non-Europeans as an Other. That said, European citizens working in the UK were also subject to restrictions in their rights, due to the Labour Government’s negotiation of an opt out from Justice and Home Affairs provisions in 1997.

During the 2005 general election the issue of upper limits regarding total migration numbers emerged. In a Newsnight interview Tony Blair argued against an ‘arbitrary quota’ for total migration. ‘The point is to make sure that you have strict controls that mean the only people your economy needs to come into this country come into this country…..But the reason I couldn't put a figure on it, is that I don't run every business in the country’ (BBC April 29th 2005). In this approach the influence of employers on policy-making is evident, implying that business was aware of their own needs and interests and that policy was solely responsive to those needs. Much has been written about the reification of the private sector under New Labour (see Hall 2005 for Education and Gaffney et al 1999 on PFIs). In a sense the maxim of ‘the market knows best’ dominated and ‘light touch’ regulation became the watchword. Employers were therefore given a defining role in the control of who was to be allowed to make Britain their home, at least in the short term.

4. Crisis Neoliberalism: 2008-
Vanguard and social neoliberalism emerged sequentially, but once the latter had modified
the overall nature of the regime, it became possible for governments to alternate. The
return of the Conservatives to office in the UK, first in Coalition with the Liberal Democrats
(2010) then as a majority government (2015) might suggest that crisis neoliberalism is
simply a return to vanguard politics, but this would be simplistic. Vanguardism cannot be
revived in its original form, partly because the division between vanguard and social
neoliberalism has to a certain extent broken down, but mainly because most of the original
economic objectives of vanguard neoliberalism were achieved. That said, a return of aspects
of vanguardism may be more evident in migration practice, to which we return below.

‘Sovereign is he who decides on the exception’, wrote the German legal theorist and
future Nazi Carl Schmidt in 1920 (2006, 5). By this Schmidt meant that sovereigns, which
could be collective bodies, were defined by the ability to suspend established legal norms
during moments which they deemed to be crises or emergencies. In effect, the decision to
which Schmidt refers involves identifying those groups which are to be treated as outside
the law. Much of the more critical securitisation work points to migrants being placed
outside of the law through the employment of ‘extraordinary measures’ (see for example
Bigo 2002). At the dawn of neoliberalism Left–commentators predicted that a new form of
‘exceptional state’ was emerging in response to the crisis (Hall et al 1978). Their error was
partly one of timing and partly in relation to where the exception lay. For what is being
constructed are not ‘states of exception’, but rather regimes of exception–involving both
pre–emptive repression and diversionary scapegoating of groups ranging from people with
disabilities to the entire Muslim population, and increasingly, to migrants from both inside
and outside of the EU.
What has happened is that the populist hard right is beginning to shift the overall elite position in two ways. One is that it has also adopted a politics of identity, in this case a majoritarian identity of ‘the white working class’, whose interests have supposedly been sacrificed to those of the minority populations – a group who’s separate existence academics in both the UK and USA have been too willing to accept (see, respectively, Beider 2015, 1-21 and Williams 2017, 59-72). The other is that, rhetorically at least, it has begun to question many neoliberal shibboleths and argue for protectionism and government investment. The latter shift has been more obvious in the US than in the UK; but in both countries a break with neoliberalism is being articulated within the ruling class. This in turn suggests that the period of crisis neoliberalism may in fact be a transition between the neoliberal stage of capitalism and it’s as-yet undefined successor.

The direction of travel between crisis and change was somewhat different in migration. The crisis of migration prior to the summer of 2015 was a crisis largely made by the UK Government. The relentless focus on being seen as in control, only to then be seen as lacking control, and the continued obsession with legislating created a sense of migration being in crisis from the mid-2000s. Contrary to claims that people were ‘not allowed’ to talk about migration without being labelled as racist, non-stop talk about migration as the source of all of the country’s social ills heightened the sense of crisis. Indeed Home Secretaries consistently talked in such terms, culminating in John Reid identifying the Home Office as ‘not fit for purpose’ due largely to its ‘inability’ to stop unwanted migrants. In the only UK General Election to have leaders’ debates, in 2010, migration was the only issues discussed in all three debates. Alongside an approach that actively sought migrant workers on behalf of capital, public unease grew; if migrants were the source of economic and social problems why were they not being stopped? This crisis then dovetailed with the economic
crisis to create a politics and economics of blame. As Castells points out, limits on migration at times of recession can ‘prevent recessions from becoming crises of capitalism’ (Castells 1975). The suggestion is one of a displacement crisis whereby the focus is placed on mobility and populations as a way of avoiding attention to broader and underlying systemic problems. Or as Young puts it: ‘Just as community collapses, identity is invented’ (1999, 164).

Thus in the latter years of the New Labour Government, at a time when the economic crisis was beginning to hit, there were changes in policy and practice. As Anderson and Ruhs point out (2010, 13), Labour and then the Coalition Government used the recession to justify tighter policy, accompanied by interim restrictions on new EU member states, Romania and Bulgaria. The rhetoric of ‘British jobs for British workers’ identified non-British workers as a threat to wages and conditions. Part of the change in New Labour thinking is ably demonstrated by the different outlook of the last two Labour Immigration ministers. In 2008 Liam Byrne, while instituting the new points based system, primarily emphasized the economic benefits of migration. When asked if there were too many migrants in the UK his response was that such an issue ‘can’t be reduced to such simplicities’. His successor and last Labour Immigration Minister, Phil Woolas was happy to promote such a simplistic approach, arguing that ‘It’s been too easy to get into this country in the past and it’s going to get harder’ (Guardian October 18th 2008).

So what did this change mean in practice? Looking at actual policy and practice in more detail, the points based system operational from 2008 and intended ‘to help British business recruit the skills it needs from abroad so we are a global hub of global talent’ (Liam Byrne speech to LGA 2008) was subject to continual change. The system was designed with the intention of allowing it to be tweaked in response to market conditions, itself a sign of
the neoliberal development of migration policy. Tier 1 was for the highly skilled and/or highly paid. They did not require a job offer to enter and work in the UK and there was no numerical ceiling put on this tier. Tier 2 was intended for people with sought after qualifications or work related experience in a number of key sectors, sectors that could be changed according to assumed economic conditions. Tier 2 workers had to have an existing job offer and employers required to conduct a resident labour market test. However, according to Paul (2012), prior to the economic crisis really biting ‘employers’ mere statement of recruitment difficulty was enough to pass the resident labour market test’. Thus a liberal entrance process was evident in design but was made more restrictive as the period of crisis neoliberalism emerged. Tier 3 was intended for low skilled temporary workers from outside of the EU, though it was never activated given the supply of lower skilled workers from within the EU.

The Conservative election campaign in 2010 had a cap in migration as its key aim, with Tory Leader David Cameron promising to bring migration from the hundreds of thousands each year to the tens of thousands. ‘We want to attract the brightest and the best people who can make a real difference to our economic growth. But immigration is too high and needs to be reduced’ (Conservative Manifesto 2010). Whether this was possible is doubtful. Nevertheless the aspiration can be contrasted with the remnants of the social neo-liberal position of Labour, where a cap would hamper business and that any restrictions should be set by market conditions. While the manifesto pledge did not make it into the Coalition agreement after the 2010 election, a cap for non-EU migration did. The only non-EU migration route not subject to restriction was the intra-company transfers negotiated as part of the establishment of the IMF, and forming a kind of privatised sphere of mobility. The points based system therefore became the means by which restrictions would be
sought and work, family and student migration from outside of the EU became the key focus of attention, although Brexit would later form the EU plank of anti-migration practice. The Coalition government also created a ‘hostile environment working group on immigration’, later renamed ‘Inter Ministerial Group on Migrants’ Access to Benefits and Public Services’. This helped inform restrictions to housing and health in subsequent Acts.

With regard to changes in the operation of the PBS, in April 2011 Tier 1 was limited to investors, entrepreneurs and persons ‘with exceptional talent’ and restricted to 1000 people pa. This was joined at the same time by Tier 2 being limited to 20,700 people, with many occupations also removed from the shortage occupation list. In 2014 Tier 1 general was closed to overseas applications, that is, you could only apply to stay from inside the UK (Paul 2016 1637). Skills were also redefined. In 2008 the qualification requirements for a Tier 2 visa were the equivalent of a national qualification 3, this was raised to a professional diploma in 2011 and graduate level qualification in 2013. ‘Currently, no non-EU workers can enter the British labour market without a higher education degree or extensive high-skilled professional experience, and above average earnings or substantial monetary investment capital’ (Ibid), unless they were part of an intra-company transfer.

Post study visas were abolished and great play made of the shutting of ‘bogus colleges’. Meanwhile, there was a large increase in the financial and English language requirements of would be family members to come to the UK. However, a more restrictionist position did not make the Government immune to influence. Hampshire and Bale, for example, suggest that ‘there is clear evidence that lobbying by employers tempered the government’s original proposals on economic migration’. They give the example of banks and law firms in the City pushing successfully for city workers earning £150,000 + to be exempt from cap (2015 155, 156).
In the run-up to the EU referendum, the economic crisis interacted with the refugee crisis to problematise Europe as a political as well as economic entity, with borders re-emerging despite the EU supposedly being an area of free movement. For the UK Government the crisis in the Mediterranean and the more pressing issue in their view, the migrant camp in Calais known as the Jungle, dovetailed with EU mobility to drive a deeply anti-migration referendum debate. Taking back control of borders formed the battle-cry of the Leave campaign. In the light of the result it is important to emphasise two points.

First, the EU itself is not only a thoroughly neoliberal institution, but a racist one. The much vaunted freedom of movement within the EU is predicated on blocking the movement of those without, as tens of thousands of desperate refugees are currently discovering. ‘While the EU removes internal borders to encourage the free flow of people, goods and services, it erects more extensive borders around its outer edges, to further separate and delink Europe from natural networks and transnational flows that have developed over the course of history’ (Baban 2013, 229). What this suggests is that overcoming the injustice of existing migration policies will have to be achieved in a way that treats the EU as part of the problem rather part of the solution. As Gareth Dale and Nadine El-Enany write: ‘If solidarity is to arise in Europe...it will not emanate from an alleged European essence but will take the form of the allegiances and collective identities that are fashioned when individuals from disadvantaged groups act in unison, in recognition of common interests and aims.’ As examples of this they take the birth of the European Social Forum in the early 2000s through to the anti-austerity mobilizations of November 2012 (Dale and El-Enany 2013, 649).

Second, although, as we have argued, the central argument for the Leave camp was about migration, this does not mean that migration was the only reason people voted
Leave. One journalist recounts the variety of reasons he was offered in a West Midlands town which voted heavily for leave:

Speaking to Smethwick friends from white British and second-generation immigrant backgrounds, you hear support for Brexit from a diverse range of perspectives: there is the ‘Fortress Europe’ argument (people of Commonwealth origin not being able to move to the UK, because preference is given to EU citizens); British Asian shopkeepers who don’t like the Polish shops stealing business; an objection to the Thatcherite capitalist structure enshrined in the EU. Underlying all these things is a powerful revolt against what is perceived to be a self-serving political elite (Crooks 2017, 50).

Yet Smethwick is part of the parliamentary constituency of Warley which returned a Labour MP in June 2017 with over 67% of the vote. In other words, it is simply not the case that everyone who voted Leave had bought into a populist right agenda. There were divisions between immigrant communities. “For example, a South London nurse of Ghanaian origin was adamant as to why she went for the ‘leave’ vote: ‘otherwise all the Eastern Europeans will take away the jobs that Africans can do, making it more difficult for Ghanaians who want to work in the UK, particularly over the summer holidays’” (Ampofo 2016). To be clear: we think this attitude is wrong and has to be argued against, but it not reducible to racist populism.

Conclusion

Migration is now emblematic of the one of the ways in which neoliberalism has ultimately undermined the possibility of a long-term accumulation strategy for capital (for the others,
see Author A 2016). Perry Anderson argues that ‘ethno-religious tensions have displaced class antagonisms’: “The displacement is both a substitution and a corruption of them. Workers, instead of uniting against employers or the state, turn against fellow workers; the poor revile the poor.” Anderson claims that this is not entirely “false consciousness” as in certain conditions, migrants can depress wage levels (Anderson 2009b, 537). The latter point is an unnecessary and unproven concession – indeed, it emerged last year that the government had suppressed no less than nine Home Office reports demonstrating that migrant labour did not lead to generalised wage suppression (see, e.g., Inman 2017). Anderson is right, however, that the fragmentation and alienation which it imposed on the majority of the British population have now enacted ‘the return of the repressed’ – not in revitalised forms of class struggle, but with anti-migrant hostility acting as a form of displaced anger against a range of injuries from factory closures to NHS pressures to more intangible feelings of unwanted cultural change. Encouraged by UKIP and colluded with by at least sections of the Tory Party, these feelings may be poisonously divisive, but are not otherwise ‘in the interests of capital’.

The problem facing the Tories after the Brexit vote can be quite simply stated: they have been the main party of the British ruling class for over a hundred and fifty years, yet, because of decisions taken for internal party reasons—to see off the threat from UKIP and to resolve their divisions over the EU—they are now responsible for implementing a policy which is opposed by the vast majority of that class. Given the EU’s commitment to maintaining the capitalist order, it is unsurprising that the overwhelming majority of the British capitalist class wanted to remain within it. 85% of Confederation of British Industry members supported Remain while 5% supported Leave. ‘Britain has long had a mid-Atlantic policy’, noted Tony Norfield before the referendum, ‘being drawn to continental Europe for
much of its business, but maintaining a wide range of non-European interests, including political, military and spying arrangements with the US.’ His conclusion was: ‘The last thing the UK’s large corporations would want to do is leave the EU, with the risk that trade and investment relationships might be affected, and with a knock-on effect for the City’s business.’ And for this reason he thought that ‘exit...looks unlikely’ (Norfield 2015, 218, 219). But the outcome was precisely why Hayek was opposed to referendums.

This is one horn of the Tory dilemma. Some analysts have argued that this hostility on the part of business will derail the Brexit process. At the conclusion of a useful account of the relationship of British capital to the EU, Christakis Georgiou writes:

That most big business executives—in the City or otherwise—as well as the most important departments of state including the Euroseptic Treasury (let alone the Foreign Office, despite its diminished standing) are opposed to it not only indicates that a simple referendum result would be insufficient for the strategy to be implemented but also that the British ruling class is aware of its limitations. British capitalism has come to depend on membership of the EU and the latter is not going to go away (Georgiou 2017, 124).

But it is not clear that the vote can simply be ignored. One way of resolving the situation would be to try and negotiate what is sometimes called a ‘soft’ Brexit—in other words one which the UK’s relationship with the EU is as close to membership status as possible, above all through access to the single market. The remaining member states and the institutions will only grant such an arrangement, however, if the UK accepts the free movement of people in return. British capital would welcome this solution but it would impale the
government on the second horn of its dilemma. A soft Brexit would leave the Conservatives unable to stop immigration or even ‘take control’ of it. German Prime Minister Angela Merkel has made it quite clear that if a post-Brexit Britain wants to be part of the single market it will have to accept free movement of people along with the other three freedoms: the Leave campaign have stoked up demands which are actually impossible to satisfy.

The vast majority of British capitalists do not want to exit the EU; not least because of the problem that restricting freedom of movement will have on the availability of cheap migrant labour. Indeed what the past 40-years suggests is that borders and migration are not fundamental to neoliberalism, but that the approach can alter according to political rather than economic developments. If we are indeed in the transition from neoliberalism to another period in the history of capitalism, then – if the nature of that period is not to be darker still – the discourses and attitudes which have come to characterise migration politics in the UK will have to be transformed in ways that have, as yet, only been glimpsed in the local reactions to the Syrian refugee ‘crisis’ and the relative success of Corbyn’s 2017 election.

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