Debate: Freedom, power and capacity – analysing the fallout from the UK's 'Brexit' referendum

Features in the January 2017 issue of Public Money and Management (Vol. 37, No. 1).

Laurence Ferry (Durham University)

Peter Eckersley (Newcastle University)

The sociologist Nikolas Rose (1999) in his influential book 'Powers of Freedom – Reframing Political Thought' suggests that today we demand to be governed in the name of 'freedom' and that this can take on forms of both power and resistance. Indeed, freedom has become a dominant discourse globally in recent decades, on the basis that states should exert less influence over their citizens both socially and economically. The notion featured in the UK's recent referendum on European Union membership, where those who advocated leaving the bloc argued that it would enable Parliament to regain its sovereign powers and – by extension – allow citizen to 'take control' of their own destiny. In addition, the UK government has itself faced calls to grant additional freedoms to the devolved administrations of Northern Ireland, Scotland and Wales, as well as local government in England.

However, such extra freedoms have little instrumental value if actors (such as public institutions or citizens) do not have the capacity to take full advantage of them. Indeed, there is a risk that the referendum has raised public expectations about what governments are able to achieve to levels that cannot be met, which could have serious consequences for politics, governance and society. Such a scenario has wider applicability outside the specific context of the UK and its relationship with the EU.

Power and capacity in the UK post-Brexit

There are several ways in which Brexit could actually reduce the ability of the UK Government to achieve its objectives. Firstly, the UK will no longer be able to call on the EU's diplomatic, human, financial and soft power resources in its relationships with other states across the globe. The UK civil service shrank by a fifth between 2010 and 2016 (Office of National Statistics, 2016a) and some departments have experienced funding cuts of around one-quarter. Yet it will now need to undertake tasks that were previously done predominantly at the EU level, and for which internal skills and capacity will therefore be extremely low. For example, the UK has not negotiated a trade deal for over four decades, which means that its civil service now has to recruit or train a huge number of experts in order to agree bilateral deals with countries around the world very quickly.

Related to this, the referendum result means that politicians and senior civil servants are having to re-assess priorities and re-allocate resources within and across departments, which will adversely affect administrative capacity. As the Brexit process begins to gather pace, a huge number of civil servants will need to sift through the enormous body of EU law to determine which regulations to keep and which to dispose of, and this will reduce the number of public officials who can focus on other tasks. The prospect of a second referendum on Scottish independence would exacerbate this problem, particularly if the previous result were reversed and therefore civil servants would need to focus on unpicking two Unions simultaneously.

Capacity issues are perhaps even more pronounced at the local level in England. Reductions in central funding for local government since 2010 have been well-documented, and they

have that considerably reduced councils' ability to act (Lowndes and Gardner 2016). Local authorities have also lost 24% of their staff since 2010 (a total of nearly 700,000 employees, Office of National Statistics, 2016a) and therefore most do not have the skills or experience to take advantage of the 'freedoms' granted by the Localism Act 2011, particularly in those areas where they were not previously active. Many councils in deprived areas also received funding for economic development and regeneration from the EU. These grants will no longer be forthcoming post-Brexit, and it remains unclear whether the UK government will replace them on a like-for-like basis. At the same time, demographic trends mean that demands for services such as adult social care continue to increase. As Pollitt (2010) has found, a common response to financial constraints in the public sector is to outsource or privatise public services in order to save or raise money. This would reduce local government's capacity to co-ordinate and steer activity across different agencies and therefore implement policy effectively, and also increase concerns about the accountability of local public services (Ferry et al., 2015).

On top of this, the fiscal situation is likely to remain highly uncertain for the foreseeable future. Although the UK government has abandoned its target to deliver a budgetary surplus by 2020, and the new Chancellor, Philip Hammond, has suggested that he will 'soft pedal' on austerity, it is still unclear what this will mean for departmental budgets over the coming years. The Pre-Budget Report in November 2016 should provide a better indication of the government's taxation and spending priorities, but any medium-term fiscal strategy will depend heavily on the macroeconomic situation – and this is contingent on the extent to which the UK retains access to the EU's single market. If the Prime Minister invokes Article 50 of the Lisbon Treaty (which triggers the two-year process of withdrawal from the EU) in 2017, it could be the end of the decade before UK-EU relations are based on stable

foundations. By this time, the level of government debt as a proportion of GDP is likely to be even higher than the 2016 figure of 82.9% (Office of National Statistics, 2016b), which would lead to even greater pressure for a renewed programme of spending reductions. This would weaken state institutions further and make it even more difficult for politicians and civil servants to deliver their priorities.

The aftermath of Brexit: a sting in the tail?

Finally, once it becomes clear that the UK Government does not have the capacity to meet some of the expectations set by prominent politicians from the Leave campaign, there is a risk that citizens will become even more disillusioned with the political system (Flinders and Kelso, 2011). If this is combined with an economic downturn, it could lead to civil unrest, increasingly hostile attitudes to foreigners and growing antipathy towards those in authority. The UK's political system is perhaps more resilient than most; however, if leaving the bloc becomes contagious, EU countries that have a shorter history of democracy may be less likely to weather the storm. Ironically, therefore, calls for freedom could lead to governments becoming increasingly authoritarian and having less regard for liberal notions of human and civil rights.

References

Ferry, L., Eckersley, P. and Zakaria, Z. (2015), Accountability and transparency in English local government: moving from 'matching parts' to 'awkward couple'? *Financial Accountability and Management*, 31, 3, pp. 345-361.

Flinders, M., and Kelso, A. (2011), Mind the gap: public expectations and the parliamentary decline thesis. *British Journal of Politics and International Relations*, *13*, 2, pp. 249-268.

Lowndes, V. and Gardner, A. (2016), Local Governance under the Conservatives: super-austerity, devolution and the 'smarter state'. *Local Government Studies*, 42, 3, pp. 357-375.

Office of National Statistics (2016a), *Public Sector Employment, UK: March 2016*. Available via http://www.ons.gov.uk/.

Office of National Statistics (2016b), *Public Sector Finances: July 2016*. Available via http://www.ons.gov.uk/.

Pollitt, C. (2010), Cuts and reforms – public services as we move into a new era. *Society and Economy*, 32, 1, pp. 17-31.

Rose, Nikolas. (1999), *Powers of Freedom: Reframing Political Thought*. Cambridge University Press: Cambridge.