

## **HEDGING, CRITICAL DISCOURSE ANALYSIS AND THE ORIGINAL BREXIT AFFAIR**

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### **ABSTRACT**

Methodologically, this is an attempt at transcending the already fuzzy borders between Discourse Analysis and Critical Discourse Analysis, also borrowing the prevailing idea in Critical Theory and Cultural Studies that culture is ideological and political, and thus a site of struggle. The article, while starting from language-based approaches enriched by CDA's contributions, aims, by means of hedging language devices, at connecting and interpreting a number of puzzling facts, occurrences, statements and coincidences to be observed in the public space in the immediate contexts of the June 23<sup>rd</sup>, 2016 British EU referendum. These have to do with discourse, politics, hedge funds, financial transactions and a number of people associated with them. Who were the real winners of the original Brexit Affair? The article acknowledges the theoretical relevance of leading CDA theorists, while relying on online resources, especially those of such investigative journalists as Cam Simpson, Gavin Finch and Kit Chellel. Why would anyone charge anyone with major misdeeds and risk going to court, when the 'hedging' of the Brexit affair (or business) in the current article might prompt everyone to draw their own conclusions?

*Keywords: hedging, critical discourse analysis, Brexit*

### **INTRODUCTION**

What follows is an incursion into the immediate contexts of the June 23<sup>rd</sup>, 2016 British EU referendum, with a view to providing evidence that may lead to a good answer to the question, "Who were the real winners of the original Brexit Affair?" An easy answer is "Nigel Farage." Adopting hedging from the very beginning, one might first ask here, "Which Nigel Farage is to be seen as the major winner, the politician or the bookmaker with acknowledged connections in the world of hedge funds and opinion polls?" Continuing the questioning and the hedging of one particular interpretation of the facts, "Are there even bigger winners, financially speaking, as a direct consequence of that historic day?" On that historic occasion, according to some, the British took back control over their country, a former empire which, for four decades, had been oppressed by the unelected technocrats in Brussels, if one believes the rhetoric of the Brexit campaign. Other elements considered in the complex sociopolitical and financial framework in which June 23<sup>rd</sup> is placed are likely to give a special significance to the central people and their words and deeds. These are, among others, hedge funds, exit polls, stock market speculations and speculators, public statements. All of this might involve a lot of money and considerable amounts of populism disguised as patriotism.

Before the theoretical basis of this essay is described, a few clarifications about the significance of the title above are worth considering, with more light to be shed

after the necessary preliminary remarks. The phrase “Brexit Affair” may refer to three distinct moments in British history. The oldest Brexit Affair *avant la lettre* might refer to Henry VIII taking back control from the Pope and the rest of the Catholic European “Holy Communion,” and assuming full control over his kingdom, and also over his subjects’ faith. A much more recent story is that of the 1975 EEC or Common Market referendum. On that occasion, the British confirmed their willingness to remain within the then-called European Community. The even shorter story, the one this text deals with, is the one of the more confined context of June 23<sup>rd</sup>, 2016. Words are, fortunately or unfortunately, ambiguous, ambivalent, polysemous. Affairs might refer to business or problems of the amorous heart. In the shortest version of the Brexit Affair, the two meanings might be conjoined, to refer to a financial as well as an emotional *coup de foudre*. In other words, “love of money,” money making the world go round, as many people living in a materialist world today would agree.

This text moves from ambivalent and reckless “affairs” to more cautious initiatives, such as “hedging.” When it comes to financial transactions and speculations, hedging means being cautious, not risking too much when one bets. One hedges one’s bets, thus avoiding risking to lose too much money. What about hedge funds? Their managers want to make quick profits whenever possible. How can they decrease their risks when they speculate on the financial markets and how can they make huge profits all of a sudden? Insider trading, buying and selling stocks or specific currencies, such as the British pound, on the basis on ‘inside information,’ unavailable to the public at large, is usually illegal and often hard to expose. Thus, on the basis of inside information, some hedge funds might leave hedging aside and choose to make a killing instead.

Like “affair,” “hedging” has more than one meaning. In human language interaction, especially when it comes to making important claims, one can hedge one’s statements, adding a degree of vagueness, imprecision or tentativeness. Instead of “I claim that,” it is safer to say, using the passive voice, “It has been alleged.” If you have insufficient evidence that X is a thief, for example, use hedging to imply that there is some reason, although you might be mistaken, to listen to those who allege that X is far from the embodiment of honesty. In this way, you avoid possible accusations of slander or libel.

Both Cultural Studies and Critical Discourse Analysis examine the configurations of language, power, and ideology as they function in the public sphere to impose or resist social dominance, to expose political manipulation, to address inequality. Thus, the foundational book in CDA, Fairclough’s *Language and Power*, after establishing the theoretical framework of this approach, devotes a whole chapter to the “creativity and struggle in discourse,” focusing on “the discourse of Thatcherism” [1] If Cultural Studies may be seen as a looser range of approaches to culture and ideology, CDA is more language-based, interested in more linguistic-discursive textual structures and analysis at work “at the intersection of language and social structure” [2]

One volume which applies language-based analysis to political language of particular concern here is Steve Buckledee’s *The Language of Brexit: How Britain*

*Talked Its Way Out of the European Union.* The author examines the rhetoric of the Leave and of the Remain campaigns, respectively, making generalizations about the language strategies employed by the two sides. Thus, brexiteers promoted a confident attitude to the complex issues debated in the campaign, making absolute, strident claims. There was no doubt that things were crystal clear and that theirs was the just cause, the cause of independence, sovereignty, going it alone in the wide world. A particular stratagem is to identify some imperfections of a large system, and to transfer the imperfections from individual cases to the system as a whole. The remainers, aware of the complicated situation and of the inevitable imperfections that have to be put right in a huge system like the EU, were tempted to employ hedging and modality, rather than strong, categorical claims [3]. Almost by definition, knowledgeable people are less certain, being aware of their limitations, as well as of the difficulty of describing a complex situation in black vs. white only. The shades have to do with the inevitable hedging. To simplify the two approaches, one can compare a possible Brexit-like claim that “the EU is evil incarnate” with the balanced Remain claim that “the EU is obviously not perfect, but to claim that it is evil incarnate is an exaggeration.” The type of hedging in this simplified statement is evidence of epistemological honesty, of one being unable to state things with absolute certainty. The previous type of hedging, the one that allows you to imply accusations of wrongdoing without running the risk of assuming responsibility for such claims or, to put it more mildly, allegations, will be put to the test in the following imagined (and possibly imaginary) scenario, based on facts and statements, as well as visible results, of various forms of persuasion and manipulation.

### **SKETCHING THE BACKGROUND OF THE BREXIT AFFAIR**

One of the basic things to clarify is the identities, more or less straightforwardly assumed, of some of the central actors of the Brexit Affair. One of them is the founder of UKIP, the winner of the 2016 Referendum, Nigel Farage. The first speaker persona that UKIP’s leader imposed in the public space is that of a smiling, ordinary person, sipping beer and chatting amicably in a British pub, one of the spaces associated with ordinary, working-class forms of Englishness. As the word itself says it, a pub is a public space, a typically British space defining the country’s national identity. Farage appears as the champion of the man in the street or, better said, the man in the pub.

In his Brexit campaign, Farage defined the good people vs. the bad people in very clear terms, as in one of the speeches given during the last hours of the voting process. He predicted that the outcome will be the victory of the real, ordinary, decent people, having fought against the multinationals, the merchant banks, as well as big politics. The referendum is seen as a battle, with winners and losers. On the winning side are those whom he identifies with in his inclusive WE: real people, ordinary people, decent people. Therefore, Farage is one of these real, ordinary, decent British people. On the losing side are the big money and big politics, the multinationals, the banks, as well as the leaders of the political establishment, both Conservative and Labour prominent figures, who had supported the Remain side. Like in fairytales and like in the expressed aim of Critical Discourse Analysis, the humble and the weak, the Davids, are triumphing over the powerful, the Goliaths. The oppositional discourse of Brexit has been framed in these terms, the oppressed have prevailed over

the oppressive Establishment, the language of the Brexit discourse has created social change.

However, unlike fairytales, CDA aims at unmasking discourses which pretend to be what they are not. The Brexit discourse had hardly served to promote the cause of the oppressed, in a dramatic opposition to the oppressors, as it will be argued in the following pages. The official Brexit scenario may be reminiscent of the early versions of Marxism, defining progress through the class struggle between the bourgeoisie and the proletariat, with the latter proving victorious when the right moment comes. UKIP had promoted right-wing forms of populism in a campaign in which the threat posed by foreigners to national identity featured prominently. What is more, its supporters, militants and leaders are far from belonging to a homogeneous social segment assuming a subordinate power position, but promoting social change through their resisting discourse.

Critical Discourse Analysis, like Cultural Studies as a whole, does not content itself with the close, critical examination of stretches of discourse taken out of context. If language is seen as a form of social practice, then it is not only the professed words, but their discursive practice, power structures, the overall power context in which they function, either succeeding or failing, either staying disguised or being unmasked for what they are. In order to critically engage with Farage's rhetoric, the power context has to be better described.

Steve Buckledee, in the previously mentioned book, goes on to debunk some of the myths of the Brexit rhetoric: the Leave campaign, although claiming to represent the interests of ordinary Brits, was associated with wealthier and more generous donors, therefore with more powerful spheres of influence [4] To fill in gaps in the power structures associated with the Leavers, it is worth noting that the most important donors, figures just as significant for Brexit as Farage, were City stockbroker billionaire Peter Hargreaves and British tycoon Arron Banks. Another wealthy supporter of the Brexit campaign was hedge fund veteran Crispin Odey, notorious for his bold financial speculations. What about real, ordinary, decent Farage himself? His father had also been a stockbroker, and so was he, a City stockbroker and bookmaker, among other lucrative jobs. Significantly, as late as April 2019, Farage still publicly confesses to one of his minor vices, betting with bookmakers, engaging in financial speculations and making surprising bets to win big. However, one should believe him when he says that he is on the side of the little people. The other side is the bad one, the one controlled by the big money and big politics, the multinationals, the banks, the hedge funds.

From now on, a reasonable dose of tentative hedging will be resorted to, for lack of sufficient evidence that might permit more daring statements. It starts with one harmless question: is it safe to assume that former City broker Nigel Farage, the son of another stockbroker and beneficiary of the generous funding of billionaire stockbroker Hargreaves, has more in common with THEM (the financial elites, the multinationals, the merchant banks) than with the more ordinary people with whom he claims to identify? Another question, another illustration of hedging one's allegations rather than making one's clear statements, is, could important people like

stockbroker and generous donor Hargreaves have made a huge profit out of the Brexit Affair?

Once again, stockbroker Hargreaves and hedge fund speculator Crispin Odey can be seen in an interesting situation, evoked by Mike Sheen in the January 11, 2019 online issue of *Investment Week*. The title is ironical: “Peter Hargreaves and Crispin Odey: ‘Brexit won’t happen’.” [5] Sheen notes that the two had publicly announced that Brexit would not happen, but they had firmly backed the Leave campaign. That might mean that they failed to see what a golden opportunity speculating on the pound sterling on the day of the referendum and on the night following it might have been. In this context, another famous financial speculator, George Soros, can be invoked, this time to show, no irony involved, that he very honestly warned everybody what might happen in the event of highly improbable Brexit coming true. The title of Tim Sculthorpe, the Deputy Political Editor of *Daily Mail* Online sums it very dramatically: “‘Brexit will mean Black Friday for Britain’: Billionaire George Soros says pound fall after Leave vote would be bigger than ‘Black Wednesday’”. He immediately clarifies what he and Soros mean: “Billionaire George Soros said a vote for Brexit would ‘make some people very rich - but leave most voters considerably poorer’” [6]. Isn’t that what actually happened, especially if the very rich may have had inside information about how the voting was going on June 23<sup>rd</sup> and how that may have affected the pound sterling’s performance on that day and during the following night? “Making a killing” might be a suitable idiom to deal with such circumstances.

However, for reasons of elegant variation and in keeping with the hedging strategy adopted here, “making a killing” has been avoided this time to refer to otherwise honourable financial speculations. The mechanisms of such financial dealings are not the main object of this text, but they provide the substance. What is the focus here is the power of public statements, and the possible power of less public communication, to turn the debacle of one of the pillars of British stability, the pound sterling, into opportunities of amassing huge fortunes ... overnight. “Overnight” is used here literally: it refers to the specific time extending after 10.00 PM on May 23<sup>rd</sup>, until the morning after, when the unexpected results of the referendum were announced.

## **“FANTASTIC INSECURITY” AND FINANCIAL OPPORTUNITIES**

One more significant detail has not been added to the overall Brexit Affair picture. It has been said previously that both Hargreaves and Odey had publicly declared that Brexit would not happen. However, Hargreaves had said that he would support the Brexit campaign. If it was to be successful, the separation from the EU would produce instability, and instability is conducive to positive results. A May 12, 2016 headline in the *Guardian* online quotes Hargreaves as comparing the possibility of Brexit’s success one month later with the positive consequence of a negative WWII episode: the British troops’ withdrawal from Dunkirk. “‘Like Dunkirk’: Brexit donor trumpets ‘fantastic insecurity’ of leaving EU” [7]. Is it safe to assume that a Brexit donor will take advantage of such instances of “fantastic insecurity,” speculating on

the dramatic fluctuations of a currency like the pound sterling? Here follow a few more facts to link to the occasional hedging above and below. On Referendum Day, June 23<sup>rd</sup>, 2016, Laura Hughes and Kate McCann, political correspondents, come up with two very interesting pieces of news in the online edition of *The Telegraph*. The first one goes,

Numerous hedge funds have commissioned their own exit polls at a cost of up to £500,000 which ask people how they voted when they leave polling stations. The results would help traders get an insight into the way the vote would go ahead of the public, with the polls remaining private. It has led to accusations that bankers are exploiting the EU referendum for personal gain [8].

Wouldn't it be nice if a clever stockbroker used this information during the voting process in order to take advantage of this "fantastic insecurity"? In order to think of a possible answer to that question, let's see the second piece of news from the same source, same authors, on the same day: "The pound hit a six-month high against the dollar yesterday as markets rallied on the final day of trading before the EU referendum result." [8] Why did the pound hit a significant high against the dollar on June 23<sup>rd</sup>? Because the expected result of the referendum was REMAIN, which meant stability, security. Hours later, on the fateful day of June 23<sup>rd</sup>, Nigel Farage would make a public appearance, announcing that, according to the information he had received, the anticipated result was, again, REMAIN. Was Farage accepting defeat or was it part of a far from honest scenario? Such a statement from the chief Brexiteer would encourage bookmakers, brokers, to buy massive amounts of pounds, as the British currency was continuing to rise. REMAIN meant that nothing was changing, the situation was stable, secure. There would be two public appearances that night, with Nigel Farage apparently admitting defeat. A few minutes after midnight, another "veiled" concession made by Farage obviously promoted the stability of the pound sterling for a while, a confirmation of the previous message Farage had made. The message he seems to convey is "I have lost this battle, but not the long war of attrition which is to last, long after I have lost this referendum." This is very much in keeping with Farage's character. Then came the stunning, unexpected news: LEAVE, 52% vs REMAIN, 48%. Immediately afterwards, the pound fell to levels not seen for more than three decades.

And then, on the 25<sup>th</sup>, Cam Simpson, Gavin Finch and Kit Chellel, investigative journalists working for the Bloomberg, L.P. media company, come up with their "The Brexit Short: How Hedge Funds Used Private Polls to Make Millions." Their report goes farther than merely repeating the fact stated, already quoted above, by *The Telegraph* on the day of the referendum about the link between hedge funds and exit polls. They link the first speech made by Farage, minutes after 10 PM, when the voting ended, apparently admitting defeat, with another important statement, made by Joe Twyman. The head for political research for one of Britain's most important polling firms, YouGov, Twyman confirms Farage's impression. He expects a 52% Remain, 48 % Leave final vote, based on the confidential information collected by his firm until the end of the voting. Simpson, Finch and Chellel piece together some apparently loose threads: hedge funds, they say, had hired *YouGov* and at least a couple of other polling firms, among which Farage's favorite polling company, to do

work for them. *Survation*, the polling firm, was conducted by Damian Lyons-Lowe, Farage's friend and collaborator [9].

Almost three years later, on March 21<sup>st</sup>, 2019, the Renew Party carries an opinion article whose title shows no signs of hedging techniques, while adding other significant details to those of the Bloomberg report mentioned above. "Can We Stop The Crooks Who Got Rich Off Brexit?," their title asks. One can read their article, which is still online on the Renew Party website [10]. Two months later, on May 23<sup>rd</sup>, Farage's new invention, the Brexit Party, got 31% of the British votes in the 2019 European Parliament elections.

## CONCLUSION

On the night following the 2016 Leave Remain Referendum, Farage and Twyman, apparently innocently, had contributed, through their (probably unrelated?) statements to the pound sterling's exceptional rise in the late evening and through the first part of the following night. When the first results were officially aired and Farage and YouGov were proved wrong in their declared predictions, the pound underwent the lowest fall in decades. Selling the pound high for a few hours after the two above-mentioned speeches and then buying the pound low when the referendum spelled insecurity thus tells an interesting story about how 'fantastic' the situation became for those who speculated that way. Looking back in wonder if not in anger, one may have difficulty dividing the good guys and the bad guys, placing such people as Farage's friends and business associates on one side or on the other side. On the other hand, on the side where critical thinking and the lucid spirit that such approaches as CDA encourage, where common sense prevails over biases, prejudices and irrational drives, maybe one does not have that much difficulty.

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