

Was sind die tiefliegenden Faktoren hinter dem Brexit-Referendum?

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In the 1970s, it started so well...

(Even) Margaret Thatcher campaigned for Europe in the 1975 In/Out Referendum

And now ...

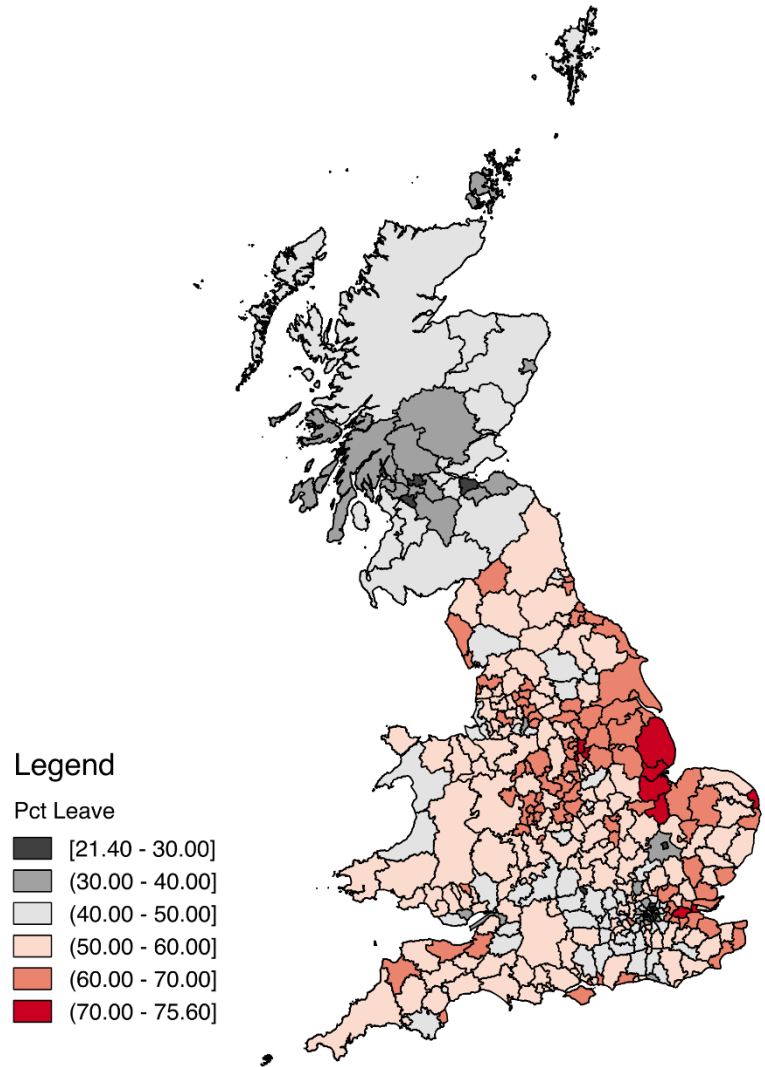
“The will of the People”

“*Enemies of the People*” (judges in Art. 50 case)

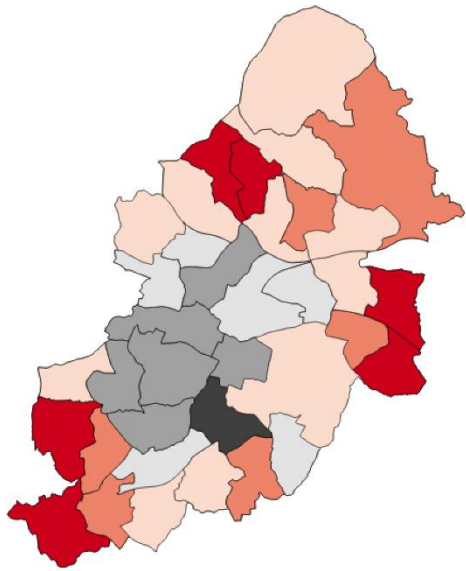
“People in this country have had enough of experts.” (Michael Gove on 3 June 2016)

Data on the referendum vote

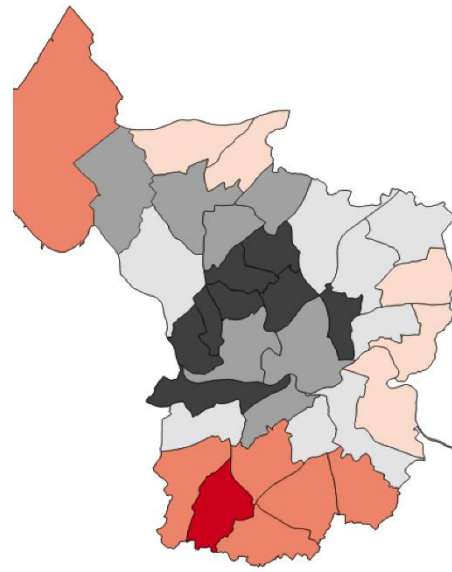
- Vote Leave won **51.9 percent**
- 46.5 million voters registered in total
- 72.2 percent turnout
 - 17.4 million Vote Leave, 16.1 million Remain
 - Corresponds to **37.4 percent** and 34.7 percent of eligible voters



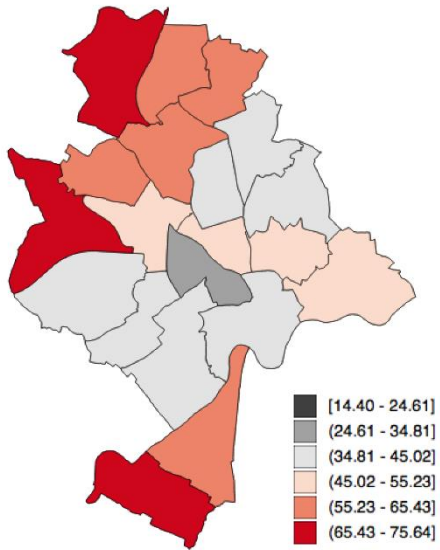
Vote Leave share (in percent) across local authority areas



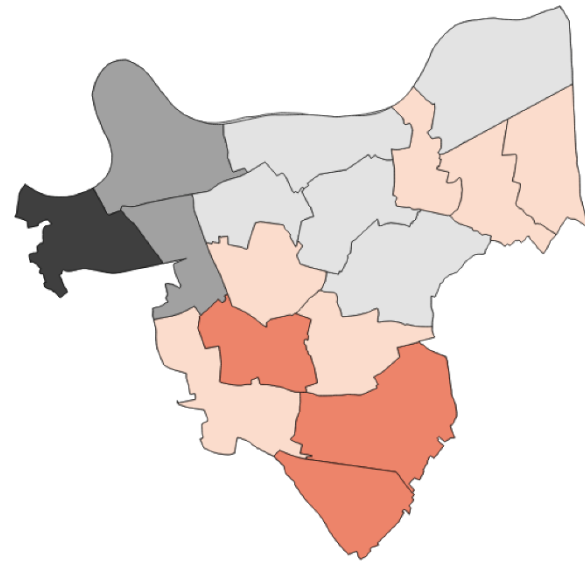
Birmingham



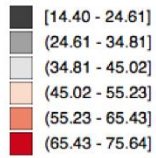
Bristol

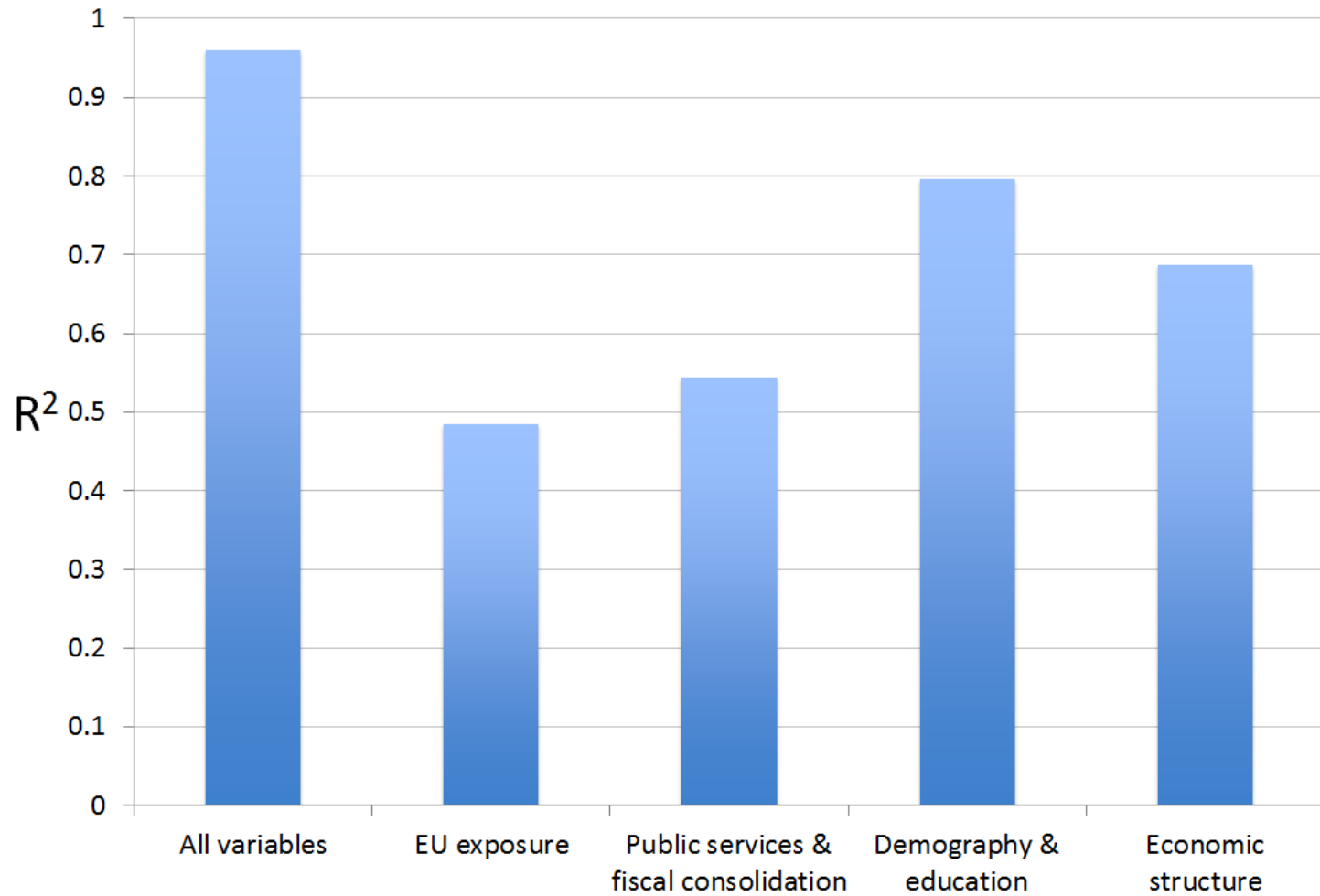


Nottingham



Greenwich/London





Goodness of fit across separate regressions for different groups of variables.

Four coarse groups of explanatory variables

- 1) EU exposure: immigration, trade and structural funds
- 2) Local public service provision and fiscal consolidation
- 3) Demography and education
- 4) Economic structure, wages and unemployment

EU exposure

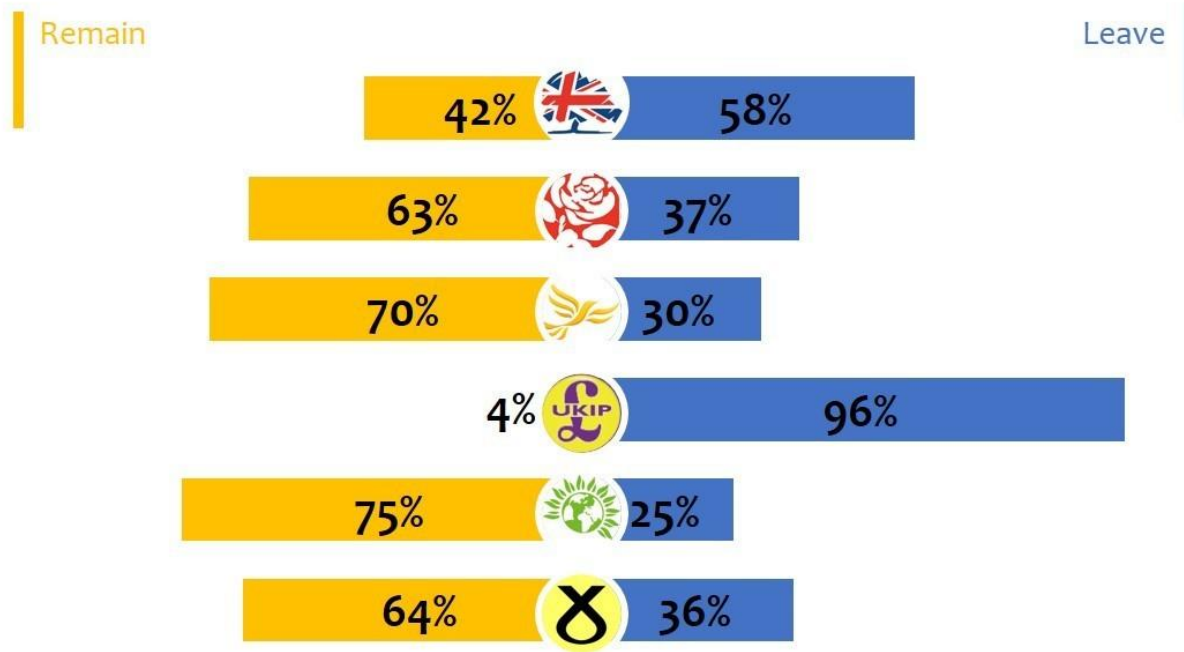
- Immigration
 - Stocks and growth in local resident shares by three origin groups: EU 15, 12 accession countries, non-EU
 - The net migrant stock with other EU countries is substantially *lower* in UK than in Germany, Spain and France.
- Trade integration/trade dependence on EU
 - Measured as share of value added (available at NUTS2 level only)
 - Highest in East Yorkshire, Northern Lincolnshire, Cumbria, Leicestershire, Rutland and Northamptonshire (over 14 percent)
 - Lowest in Inner London, North Eastern Scotland, Eastern Scotland and the Highlands and Islands (around 4 percent)
- Receiving EU structural funds (available at NUTS2 level)

Disconnect between actual exposure and perceived exposure to globalization

- Trade and FDI mostly perceived as “good” in the UK
- Public discussion in the UK is all about immigration
- But the actual exposure to migration explains relatively little
- More important:
 - Age structure
 - Education
 - Economic decline

How Britain voted

By 2015 GE vote



Lord Ashcroft Polls

[@LordAshcroft](#)

Non-economic factors

- Class identity
 - “White British working class” is strongly correlated with Vote Leave (Kaufmann 2016)
 - However, most Leave votes came from middle class voters.
 - “The typical Leave voter was not a Northern working class Mirror reader. They were Southern and middle class and read the Telegraph or the Mail.” (Tom London, 25 October 2016)
- Clear differences by race/ethnicity
- Social attitudes/national identity
 - “Overall, life in Britain is worse than it was 30 years ago.”
 - Favourable views of the death penalty, critical of other ‘progressive/modern’ social attitudes
 - Increase in political polarization between ‘cosmopolitan’ and ‘provincial’ areas (Jennings and Stoker 2016)

Ethnicity/race

Leave vote driven by white voters:

- White voters: 53 percent Leave
- Asian voters: 67 percent Remain
- Black voters: 73 percent Remain

(Source: Lord Ashcroft Polls on 23 June 2016)

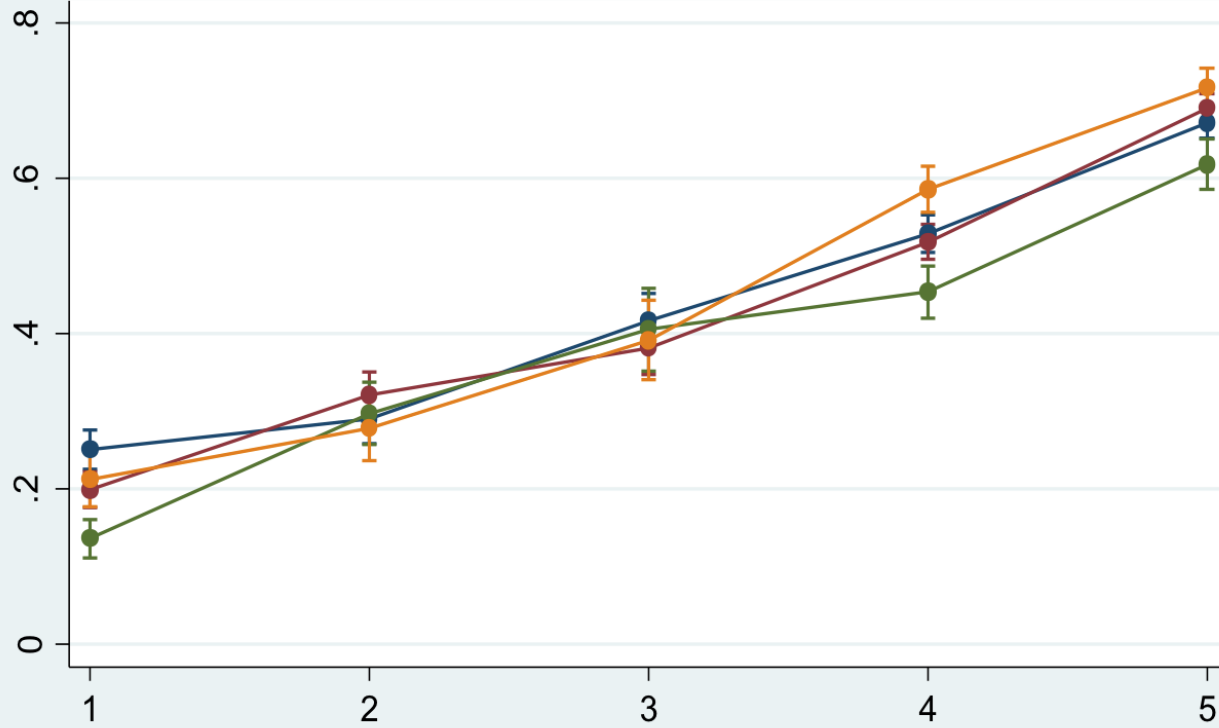
Social attitudes

How did the people vote who thought the following a “force for ill”?

- *Multiculturalism*: 81 percent Leave, 19 percent Remain
- *Social liberalism*: 80 percent Leave, 20 percent Remain
- *Feminism*: 74 percent Leave, 26 percent Remain
- *The Green Movement*: 78 percent Leave, 22 percent Remain
- *Immigration*: 80 percent Leave, 20 percent Remain

(Source: Lord Ashcroft Polls on 23 June 2016)

Not the Left Behind: Income, Capital Punishment and Brexit, Whites only, (BES 2015-16)



Death Penalty appropriate: 1- disagree strongly....5 agree strongly



Source: Kaufmann (2016)

Could it happen elsewhere?

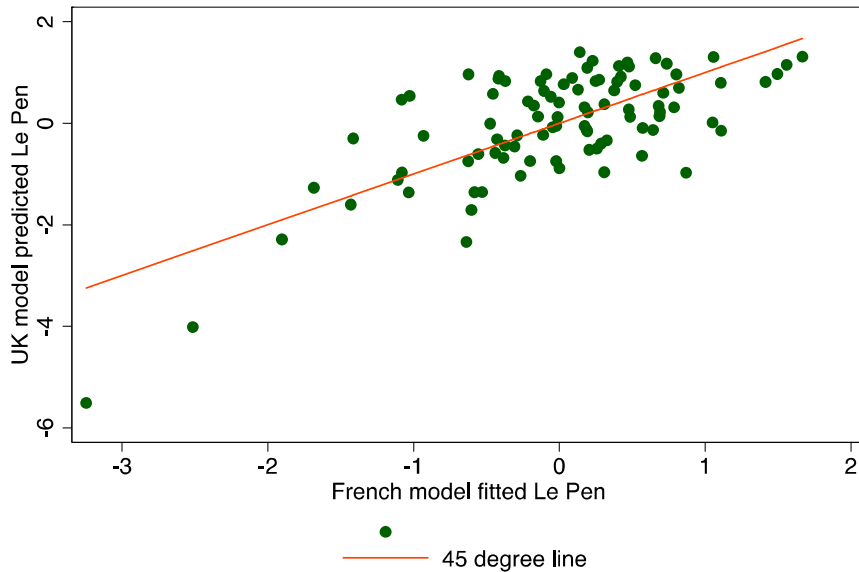
- Voter frustration also in other EU countries in the face of rapidly changing socio-economic environment
- UK first-past-the-post system special
 - Under-representation of UKIP in national politics
 - Simple 50/50 referendum
- Role of the media special in UK?

- From Brexit to Le Pen...?

Out-of-sample prediction: Use UK model to predict Le Pen

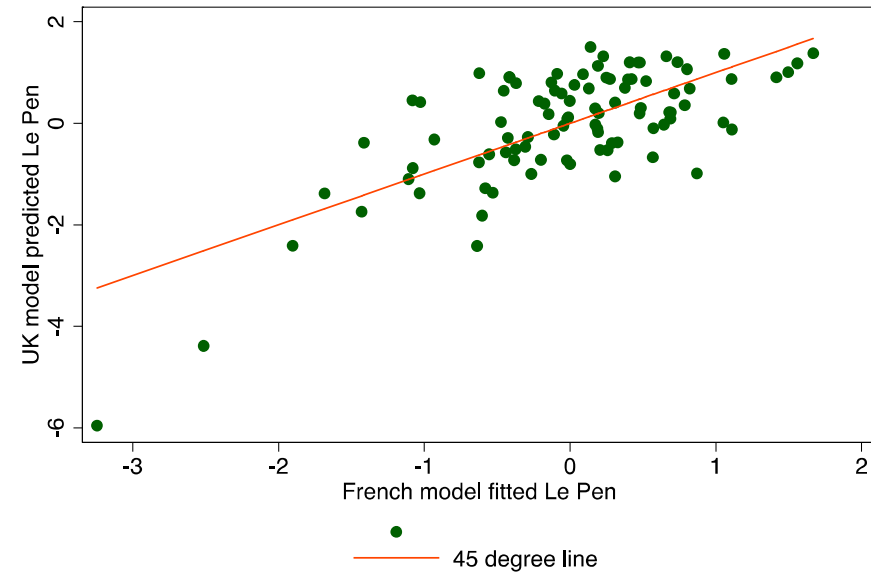
Panel C: Predicted values against fitted values

Using best UK model



R-squared = 0.497

Using full UK model



R-squared = 0.511

Challenges for EU policy

- Politicians need to **educate/persuade** people about what the EU does!
 - International cooperation (e.g. trade policy)
 - Single market: more competition and consumer choice, lower prices
 - ... and much more
 - ➔ It's not just about immigrants 'flooding' into your country.
- This persuasion needs to happen at the **national** level by national politicians, not by EU bureaucrats.
- The EU needs to be a force for **ordinary people**. Tell stories:
 - Trade makes your shopping cheaper
 - Exporting firms pay higher wages and innovate more
 - Highlight improvements (e.g. no more mobile phone roaming charges)