BREXIT Lunchtime Lectures

25 January | BREXIT and the Rise of Euroscepticism | Sara Hobolt, LSE European Institute

1 February | Experts, trust and populism | Abby Innes, LSE European Institute, Jonathan White, LSE European Institute & Richard Bronk, LSE European Institute

8 February | The Challenges for Governance in the UK | Tony Travers, LSE Government

22 February | The Economic Impact of BREXIT | Iain Begg, LSE European Institute, Francisco Torres, LSE European Institute & Lorenzo Codogno, LSE European Institute

1 March | Labour markets, welfare & the portability of rights | Nick Barr, LSE European Institute, Tito Boeri, LSE European Institute & Vassilis Monastiriotis, LSE European Institute

8 March | Inequality and exclusion | Jennifer Jackson-Preece, LSE European Institute

15 March | Migration | Philippe Legrain, LSE European Institute

22 March | BREXIT in the City | Waltraud Schelkle, LSE European Institute & Paul De Grauwe, LSE European Institute
BREXIT AND THE RISE OF EUROSCPTICISM

Prof Sara Hobolt
London School of Economics and Political Science
European Institute & Dept of Government
s.b.hobolt@lse.ac.uk
“The message from the public before and during the referendum campaign was clear: Brexit must mean control of the number of people who come to Britain from Europe. And that is what we will deliver”

- Theresa May, January 17, 2017
“You look at the European Union and it’s Germany. Basically a vehicle for Germany. That’s why I thought the UK was so smart in getting out (...) I believe others will leave. I do think keeping it together is not gonna be as easy as a lot of people think”

- Donald Trump, January 15, 2017
**QUESTIONS**

- Why did voters choose Brexit?
- Is Brexit an outlier? Or just the beginning of rising Euroscepticism and more EU exits?
THE EU REFERENDUM EXPERIENCE

- 50+ referendums on European integration
- Since 2000, there have been 25 EU referendums, of which 10 were No-votes
  - Denmark (x2), Sweden, Ireland (x2), Greece, France, the Netherlands (x2), and UK
- Political establishment + business normally overwhelmingly pro-EU
LESSONS FROM PAST EU REFERENDUMS

1. The campaign matters
   - Attitudes are highly malleable

2. Messages from political parties are important
   - But parties often divided

3. The “reversion point” is crucial
   - The consequences of a No-vote are as important as the proposal (Status Quo bias?)

4. EU referendums are not just about the EU
   - Dissatisfaction with the government and anti-establishment protest votes
Why the Remain-side felt confident...

*Do you think Britain would be better off or worse off economically if we left the EU?*

- Britain better off: 22%
- Britain worse off: 37%
- No difference: 26%
- Don't know: 15%

*Source: YouGov June 2016*
THE CAMPAIGN

- Close race
- Governing Conservative Party split, leading both camps
- Main issues:
  - REMAIN: Economic dangers of Brexit (*A Leap in the Dark*)
  - LEAVE: Immigration & Sovereignty (*Take Back Control*)
- Very limited discussion of democratic deficit, EU institutions
BREAKING POINT
The EU has failed us all

We must break free of the EU and take back control of our borders.

Leave the European Union
ON 23rd JUNE

3 MILLION UK JOBS
ARE LINKED TO
OUR TRADE WITH THE EU

More jobs and more security – Britain is stronger IN Europe
THE CAMPAIGN ISSUES

Note:
Pre-referendum survey of 5,000 respondents asking people to think about the arguments they have personally heard during the referendum campaign and summarise the main argument in their own words.

Figure based on structural topic model (Hobolt & Wratil)
Immigration vs. Economic benefits

Source: Hobolt & Wratil 2016
‘PROJECT FEAR’ did not work

- Fear-mongering ‘worked’ in Scottish referendum
- Survey experiment (May 2016):
  - Telling respondents about uncertainty of Brexit: No effect
  - Telling respondents about uncertainty of Remain: Less turnout

‘Experts point out that the consequences of leaving / remaining in the European Union are very uncertain and difficult to predict...’

- What persuaded a majority of voters to “take a leap in the dark?”
WHAT DECIDED BREXIT?

- The Economy?
  - “Losers of Globalization”/ “Left Behind” voters and regions

- Identity?
  - Nostalgia for bygone times
  - Concerns about immigration and multi-culturalism

- Populist protest?
  - Anti-establishment feelings
  - Protest against the government/political elite

- And what about the EU?
REGIONAL DIFFERENCES

- Brexit strongest in areas
  - where a large percentage of the population did not have any qualifications.
  - with a larger number of pensioners
- Yet, this is not a simple story about deprivation
  - Deprivation/changes in prosperity not clearly correlated with Brexit vote
  - Scotland/NI shows the importance of political cues
Education Gap

Brexit: % leave vs no qualifications

\[ R^2 = 0.6197 \]

Source: Rae 2016
Deprivation?

Brexit: vote leave vs. deprivation score in England

% voting leave

Less deprived  Deprivation score - IMD 2015  More deprived

- East Midlands
- East of England
- London
- North East
- North West
- South East
- South West
- West Midlands
- Yorkshire and The Humber

Alasdair Rae
**The Leave Voter: Characteristics**

- Labour supporter
- Conservative supporter
- Populist attitudes
- Lack of trust in politicians
- British identity
- English identity
- European identity
- Income
- Education (less)
- Age

*Source: Hobolt, 2016. BES. Marginal effect based on logistic regression model of leave vote*
EDUCATION GAP

Source: Hobolt, 2016. BES.
THE LEAVE VOTER: ARGUMENTS

EU has not made UK more prosperous

Brexit will not reduce trade

UK Parliament to override EU law

EU has not helped prevent war

EU has undermined British identity

Brexit will lower immigration

Anti-EU migrants

Marginal effect (% change in Pr(Leave))

Source: Hobolt, 2016. BES. Marginal effect based on regression model of leave vote
“...the UK was so smart in getting out (...) I believe others will leave. I do think keeping it together is not gonna be as easy as a lot of people think”

- Donald Trump, January 15, 2017

Is Trump right?
IS EUROSCEPTICISM ON THE RISE?

Hobolt SB, de Vries CE. 2016.
More or Less Integration?

Hobolt SB, de Vries CE. 2016.
But is Euroscepticism becoming more vocal?
Is Brexit the First of Many Exits?

Two requirements for other EU Exits:

1. An executive willing to call a referendum
   - Top-down: Internal divisions, Electoral threats

2. An electorate voting in favour of exit
   - Bottom-up: How appealing is the exit-option?
Is Britain an Outlier?

ITALY AND FRANCE?

Imagine there is a referendum and you could decide whether your country stays as a member of the European Union. How would you vote?

Source: Bertelsmann Foundation
EXPLAINING EUROSCPEPTICISM

- Economic cost-benefit:
  - Socio-economic factors (mainly lack of education)
  - Lack of economic benefits from membership

- Identity and cultural attitudes
  - Exclusive national identity
  - Anti-foreigner, anti-globalization attitudes

- Elite cues
  - Mobilization and support for Eurosceptic parties
  - Anti-establishment attitudes

- Reference-point dependent:
  - Are national institutions/economy a viable exit option compared to EU membership?
**Exit Appeal (2008)**

Source: De Vries 2017
EXIT APPEAL (2015)

Source: De Vries 2017
CONCLUSION

- Referendum provided a mandate for Brexit, but not what *kind of Brexit*
  - UK Government’s ‘Hard Brexit’ strategy is a response to immigration concerns voiced in the referendum
- It is unlikely, but not impossible, that the Brexit vote will trigger other EU exits
- Yet, populist right-wing forces are on the rise across Europe
  - Fuelled by anti-immigration, Eurosceptic and anti-elite sentiments
  - Similar socio-economic divides as in Brexit vote
‘Let’s never ask the public for their views ever again’