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UNDERSTANDING BREXIT IMPACTS AT A LOCAL LEVEL

Ceredigion case study

CONFLICT AND CIVIL SOCIETY
RESEARCH UNIT

SEPTEMBER 2018

Supported by the LSE
Knowledge Exchange and Impact fund ■

Summary of the project and its objectives

The UK is in a critical juncture with regard to the process of negotiations to leave the European Union. Important discussions are taking place which will shape the future relation between Britain and the EU. The economic analyses published on the issue have, so far, largely failed to grasp the attention of the general public. Most of the discussions about Brexit have focused at a national level and there has been very little evidence-based discussion at a local level. This project aims at stimulating a reflexive participatory research process involving citizens, policy-makers, business people and civil-society representatives. It introduces an innovative methodology that contextualises quantitative data through expert interviews and the analysis of local sources. The reports and discussion panels organised within the framework of the project seek to increase our understanding about the impact of Brexit at a local level.



Image 1: (European Republic of) Ceredigion road sign

Front cover: Talley Abbey

Understanding Brexit impacts at a local level

Ceredigion case study

This report contributes to the broader research project co-ordinated by the Conflict and Civil Society Research Unit at the London School of Economics and Political Science (LSE).

This study focuses on the perceived impact of Brexit on British local authorities. Five local authority case studies have been selected: **Mansfield, Pendle, Ceredigion, Southampton** and **Barnet**. As the aim of the broader study is to understand the impact of Brexit at the local level, this report is informed chiefly by the qualitative interviews, while the interviews themselves were conditioned by the quantitative impact assessments (see Appendix on page 18) that rely on nation-wide economic data.



Executive summary

Ceredigion is a rural county and a parliamentary constituency in Mid Wales governed by Plaid Cymru. It is a traditional centre of the Welsh culture and language, and over half of its population speaks Welsh.

While Wales backed Brexit overall by 53 to 47%, Ceredigion voted to remain by 54.6 to 45.4%. Research shows that Welsh speakers overwhelmingly voted to remain in the EU.

An exploration of the EU referendum in Ceredigion reveals an interesting interplay of spatial, economic and cultural drivers of the vote. It points to the impact of direct EU funding and participation in the knowledge economy on pro-EU attitudes, and it also raises questions about the future of Welsh identity after Brexit.

The levels of international immigration into the county are relatively low but the rates of internal migration are significant: since 2011, outflows of mainly young residents from Ceredigion have resulted in population decrease of 2.5%. Demographic change affects the county's cultural landscape and fuels concerns over the future of the Welsh language.

Ceredigion's economy is chiefly reliant on the public sector, including health and higher education, with a prominent role for Aberystwyth University, as well as agriculture, hospitality and tourism.

Given that the county is sparsely populated and geographically remote, its key economic sectors are interdependent, and any sectoral downturn poses considerable risk to the whole local economy.

Agriculture, which is the only primary sector of Ceredigion's economy, faces a number of risks related to Brexit. They mainly stem from the likely loss or decrease of farm subsidies and from uncertainty over future regulatory and trade arrangements, particularly regarding lamb farming and exports.

Higher education accounts for 20% of Ceredigion's economic output, and it is also heavily exposed to Brexit-related risks. In particular, EU27 nationals comprise around 15% of students at Aberystwyth University, and they often rely on access to student funding to pay for their tuition. Access to such funding for EU27 students is a key concern, while eligibility for EU research funding is an additional concern for the sector in Ceredigion.

While Ceredigion is a Remain area, this report outlines the contours of a Brexit scenario that would allow the county to mitigate against the most severe risks brought about by leaving the EU. Continued membership of the single market and customs union, access to home fees and finance for EU27 students, the retention of subsidies for the agricultural sector and the matching of EU funding for Wales on a pound-for-pound basis – instead of using the Barnett formula under which Westminster allocates funding for devolved governments and which would generate a funding gap of £133 million per year in agriculture alone – are the cornerstones of such a settlement.



Introduction

This report presents an analysis of the impacts of Brexit on Ceredigion, a predominantly rural county in Mid Wales. Drawing on expert interviews with local policymakers and representatives of key industries, the report shows that Brexit presents a significant degree of risk to the county's economy.

The impact of Brexit is mainly discussed with reference to agriculture, which is the only notable primary industry in Ceredigion, and higher education, which accounts for 20 percent of the county's economic output. The report also shows that economic and cultural impacts intersect in Ceredigion. This is likely compounded by the county's remote and somewhat self-contained geographic characteristics.

Researching and debating the impact of Brexit in Ceredigion is particularly important for two reasons. Firstly, it shows that while Brexit is a geopolitical process, it also translates into daily life and can affect everyday economic, social and cultural landscapes of British towns and villages. Secondly, it shows that the external dimension of Brexit – that is, the withdrawal from, and the future relationship with, the EU – overshadows equally important internal dimensions of Brexit, such as Britain's future governance and its economic policy.

Ceredigion was amongst areas shortlisted for our research as a marginal parliamentary constituency. It was then selected as one of five case studies, alongside Barnet, Mansfield, Pendle and Southampton, due to the significance of agriculture and education to its local economy. The share of agriculture in its overall economic output (1.7%) was the highest amongst marginal constituencies identified across England and Wales, while the share of education (20%) was the third highest after Oxford and Cambridge.

Our research showed these impacts do not exactly overlap with concerns identified by literatures taking a sectoral, and thus a national, view.¹ For example, the supply of agricultural labour is not a major concern in Ceredigion given its model of farming is land-intensive rather than labour-intensive, but it is a concern for food processing in the area. Further, while access to EU research funding receives much attention in the context of British universities and Brexit,² the key concern for Aberystwyth University is to retain access to home fees and student finance for EU27 students, who play a pivotal part in the University's recruitment strategy.



Image 2: The University of Wales, Aberystwyth

1 Miller V. (Ed.). 2016. Brexit. Impact across policy areas. *UK Parliament: House of Commons Library*. Available at: <http://dera.ioe.ac.uk/27171/1/CBP-7213.pdf>.

2 Wellcome Trust. 2018. *Building a strong future for European science: Brexit and beyond*. Available at: <https://wellcome.ac.uk/sites/default/files/building-strong-future-european-science-brexit-beyond.pdf>.

Our research included a review of the growing body of academic literature on Brexit, as well as of press reports and grey literature on each of the areas selected for case studies, including Ceredigion. In the second phase, participants for expert interviews were identified given their knowledge of Ceredigion's politics and economy, and were invited to take part in our research. Finally, in the third phase, the following experts were interviewed during a research visit to Ceredigion on 24-25 May 2018 and are listed here in alphabetical order:

Professor John Grattan, Pro Vice-Chancellor for Student Experience and International, Aberystwyth University

Peter Howells, County Adviser for Ceredigion and Pembrokeshire, National Farmers' Union Cymru

Elin Jones AM, Llywydd (Speaker), National Assembly for Wales, and Assembly Member for Ceredigion

Ben Lake MP, Member of Parliament for Ceredigion

Charlotte Priddy, Policy Officer, Farmers' Union of Wales

Huw Rhys Thomas, Political Adviser, National Farmers' Union Cymru

Alun Williams, Ceredigion Council and Cabinet Member

This report extensively draws on data, insights and views about the impacts of Brexit on Ceredigion provided by the above interview participants.

The key limitation of research presented here was that, in order to generate sufficient focus and depth of insight, its scope was narrowed down to expert voices and the two most prominent sectors of Ceredigion's economy. The research visit in May 2018 opened up further lines of enquiry, which will be explored at the subsequent stages of the project to broaden its scope and include other economic sectors in the analysis, as well as to represent voices of lay residents from each side of the Brexit divide.

The first section of this report presents background information on Ceredigion and is organised around the county's demography, politics and economy. The second section elaborates on its relationship with Europe and the Brexit vote through the intersection of economic and cultural factors, such as the role of higher education or the complex relationship between land and identity. It presents key drivers of the vote to leave and to remain, identified through the analysis of interview data. The third section elaborates on the risks associated with Brexit, and is organised around current and future challenges facing the rural and knowledge economies, the two pillars of the county's welfare. Finally, the last section summarises key challenges and opportunities that Brexit presents for Ceredigion.

Background on Ceredigion

Ceredigion traditionally has been an important centre of the Welsh culture and language. Over half of its population speaks Welsh, but this sociocultural landscape is changing as young people move away from the county.

This outflow is only partially offset by internal migrants arriving from England, and international migrants from the EU and further afield.³ As a result, Ceredigion's population decreased in the last decade, as did the percentage of Welsh speakers. Politically the county has traditionally been a liberal and nationalist stronghold, and Plaid Cymru, or the Welsh nationalist party, marginally won Ceredigion's sole seat in the House of Commons from the Liberal Democrats at the 2017 General Election. The county's economy is sustained by the public sector and higher education – with a particularly prominent role for Aberystwyth University – as well as agriculture and hospitality. Given its remote and rural geography, there is a high level of economic interdependence between different economic sectors, which co-exist in a fine balance.

Population

The economic heart and administrative centre of Ceredigion is in Aberystwyth, a coastal town that relies on the public sector and higher education for its prosperity. At the time of the 2011 Census, Aberystwyth had 13,040 residents,⁴ but the town's population swells by half with the arrival of Aberystwyth University students during term time.⁵ Ceredigion's second administrative centre is Aberaeron, where the County Council is headquartered, but this town is much smaller with just 1,422 residents.⁶ Two other economic centres are Lampeter, located inland and hosting the other of the county's two universities, and Cardigan, where the local economy largely relies on retail, education and health services.

Overall, Ceredigion has 74,146 inhabitants.⁷ The county ranks nineteenth amongst 22 principal areas of Wales by the size of population, and it has the second-lowest population density. It does not generally face significant demographic pressures from international migration: as of 2016, just 6.7% of Ceredigion's population was born abroad, compared to the UK average of 14.1%, and live births to non-UK-born mothers were also relatively low at 11.1%, compared to the UK average of 26.9%. The only aspect of international migration in Ceredigion which is higher than the British average is the number of short-term international migrants with 4 persons per 1,000 population – as opposed to 3 per 1,000 for the UK overall.⁸ 92% of the county's residents are white and were born in the United Kingdom, and nearly half speaks Welsh.

However, there is widespread concern about the future status of Ceredigion as the centre of Welsh heritage. Net inflow of international migrants at around 350 per year is coupled with an internal migration outflow of over 650, which is predominantly caused by young people moving to urban centres of England and Wales to pursue career opportunities that are not available locally. The actual scale of this outflow is somewhat concealed by an internal inflow of chiefly middle-aged and elderly migrants from England. Nonetheless, in the last decade, Ceredigion lost a number of Welsh speakers living there and a significant proportion of its inhabitants: the county's population is estimated to have decreased by almost 2,000, or 2.5%, since 2011. Those who move in, either from England, Europe or further afield, are generally unlikely to learn Welsh.⁹

3 Interviews with Alun Williams, 24 May 2018; Elin Jones AM, 25 May 2018; and Ben Lake MP, 5 June 2018.

4 Aberystwyth and Ceredigion Population Data. 2011. Available at: <https://www.aberystwyth.org.uk/more/statistics.shtml>.

5 In 2016-2017 the University had 8,455 students, including 6,670 full-time, and the vast majority of those resides in the town. HESA. Data on HE student enrolments by HE provider 2016/17. Available at: <https://www.hesa.ac.uk/data-and-analysis/students/table-1>.

6 Office for National Statistics (ONS). Local Statistics. Available at: <https://www.ons.gov.uk/help/localstatistics>.

7 Ceredigion population data rely on the ONS Estimates for mid-2016, the most recent dataset available. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>.

8 ONS Population Estimates. 2016. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/ukpopulationbycountryofbirthandnationality/2016>.

9 Interviews with Alun Williams, 24 May 2018; and Elin Jones AM, 25 May 2018. See also National Conversation. 2018. *Aberystwyth: Welcoming newcomers and preserving local culture*. 9 March. Available at: <http://nationalconversation.uk/aberystwyth-welcoming-newcomers-and-preserving-local-culture/>.

Politics

The 42-strong County Council is dominated by Plaid Cymru, which holds 20 seats, while independent councillors are the second-largest group with eleven. Welsh Liberal Democrats have eight seats, and the Labour Party has one councillor who is part of the Independent Voice group alongside two independent councillors. The Conservatives do not have a single councillor in Ceredigion. Aberporth – a large coastal village in the southern part of the county – had a UKIP councillor in 2014 but the party lost the seat to Plaid Cymru at the last election.¹⁰

Between 2005 and 2017, the Liberal Democrats represented Ceredigion in the House of Commons, but at the last election they lost the seat to Ben Lake of Plaid Cymru. Lake, a 25-year-old Lampeter native and Oxford graduate, and the youngest MP in Wales, says he achieved his knife-edge majority of 104 votes¹¹ mainly due to erosion of the Lib-Dem support as the adverse effects of austerity on the one hand, and of the rise in university tuition fees on the other, became increasingly felt in the county. He also points to the ‘presidential nature’ of the 2017 election.¹² In a polarised political landscape, the Conservatives and Labour gained substantially, while UKIP and

the Greens collapsed, and so the 1.6% increase in Plaid Cymru support translated into a win. Lake believes the seat will be hotly contested at the next election.

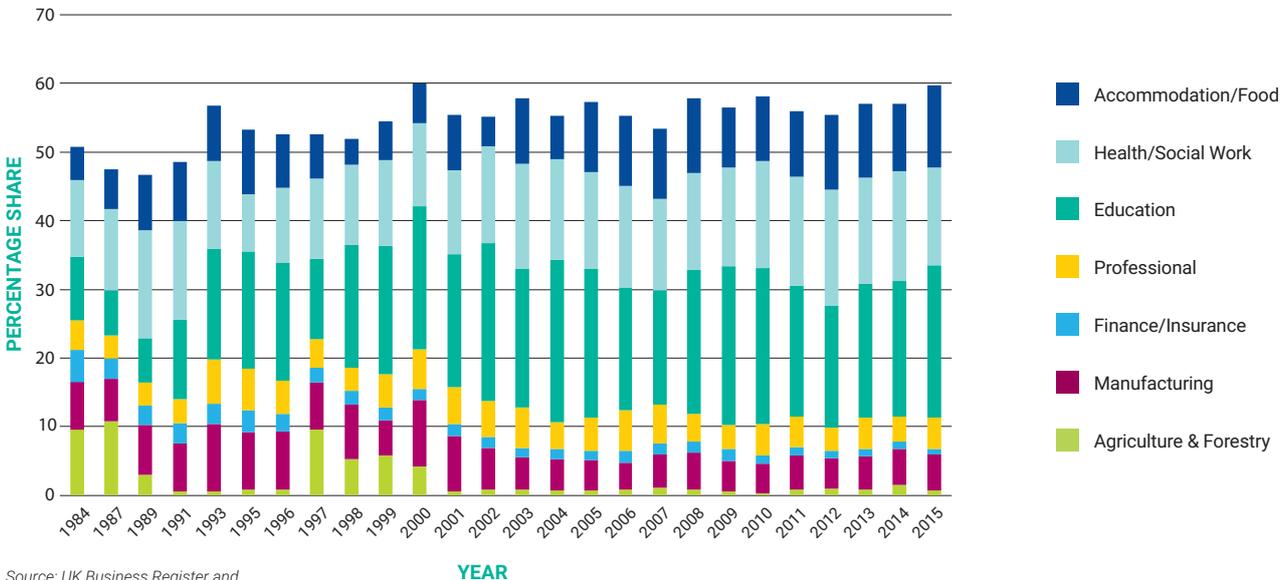
Economy

Economically, Ceredigion is reliant on public funding as well as the knowledge and rural economies. Education, health, hospitality and retail are the largest sectors and account for over 56% of the county’s economic output. However, this does not necessarily overlap with the proportion of workforce in each sector. For example, education alone accounts for 20% of the economy, but only around 5,000 residents are employed in this sector directly.

Aberystwyth’s major employers include the University, Bronglais Hospital, and the National Library of Wales. The dairy products company Rachel’s Organic is the largest private firm in town. It has both headquarters and manufacturing facilities there but it was reported to employ just 92 people in 2015.¹³ In comparison, the University’s workforce currently stands at around 2,000.¹⁴ Other private sector employment is scattered across numerous small businesses that mostly operate in retail and hospitality.

Figure 1: Employment in key areas, Ceredigion, 1984 to 2015

Employment share is shown for industries most exposed to Brexit impacts



Source: UK Business Register and Employment Survey (BRES).

10 BBC. 2014. Plaid issues ultimatum over UKIP councillor. 11 March. Available at: <https://www.bbc.co.uk/news/uk-wales-politics-26528571>.

11 BBC. 2017. Ceredigion parliamentary constituency election results 2017. Available at: <https://www.bbc.co.uk/news/politics/constituencies/W07000064>.

12 Interview with Ben Lake MP, 5 June 201

13 Hughes O. 2015. Yogurt firm Rachel’s Organic to axe staff after Tesco blow. *Daily Post*. 23 April. Available at: <https://www.dailypost.co.uk/business/business-news/yogurt-firm-rachels-organic-axe-9099872>.

14 Aberystwyth University. 2018. About Aberystwyth. Available at: <https://www.aber.ac.uk/en/staff-induction/community/>.



Image 3: Welsh farmers proud to produce

'In Ceredigion, agriculture and tourism exist in a symbiotic relationship'

Peter Howells, National Farmers Union Cymru

Agriculture only accounts for 1.7% of the economic output, but its significance is much greater because of the 'multiplier' effect: every £1 generated in agriculture translates into £7.40 for the local economy through supply chains and spending.¹⁵ Further, it employs almost 3,000 people and plays a huge role in the local economy through 'upstream and downstream' economic effects.¹⁶ This means that farming is the primary industry that generates wealth and provides jobs through its supply chain and food processing across rural and remote parts of Ceredigion, away from its main towns. Local shops, surgeries and schools on the one hand, and meat and dairy processing facilities on the other, can only run for as long as there are enough people working in agriculture to sustain them.¹⁷ In addition, farmers steward the bucolic landscape and thus help attract tourists and students into the county. As Peter Howells from the National Farmers Union Wales puts it, in Ceredigion 'agriculture and tourism exist in a symbiotic relationship'.¹⁸

Ceredigion is an economy in a fine balance, and its sectors depend on one another. This is at least partly caused by the county's remoteness from other economic centres. There is no direct rail or motorway link to either Cardiff or London. It takes 2.5 hours to get from Aberystwyth to the Welsh capital by car, and to get there by rail one has to first travel to the English town of Shrewsbury. From London, it is a five-hour drive and there is just one road to get to Aberystwyth, the A44. But while the county is somewhat isolated from other parts of Wales and Britain, it is also very open to newcomers – especially from overseas.

¹⁵ Data compiled by the National Farmers' Union Wales (NFU) and the Farmers' Union Wales (FUW).

¹⁶ Interview with Huw Rhys Thomas, Political Advisor, NFU, and Peter Howells, Ceredigion and Pembrokeshire County Advisor, NFU, 24 May 2018.

¹⁷ Ibid.

¹⁸ Interview with Peter Howells, 24 May 2018.

Explaining the Brexit vote in Ceredigion

In debates about Brexit much attention is focused on the voters who backed 'Leave', and the drivers of that vote. This renders the vote to remain a residual and under-researched category, and yet Ceredigion offers interesting insights.

Analysis of the Remain vote can not only shed light on key factors that swung the vote in the county, but also points to some broader concerns which animate Remain sentiment and, ultimately, have to be addressed to achieve a Brexit settlement that enjoys wide public support.

While the Welsh voters overall backed Brexit by roughly 53 to 47%, Ceredigion was one of just five areas in Wales – out of 22 in total – to vote against it by 54.6 to 45.4%.¹⁹ The split between the vote to leave and to remain in the county points to several challenges which emerge in relation to Brexit. They have implications for the local economy and the county's politics more broadly. In particular, the uneven distribution of the knowledge economy across the county appears to translate into political outcomes, and a degree of anxiety over the future of Welshness also has political implications. This section analyses these concerns in tandem, taking the Brexit vote as a starting point.

In 2016, a YouGov poll found Aberystwyth and Aberaeron to be the two most pro-EU towns of 188 places surveyed across the UK.²⁰ This was broadly reflected in the results of the 2016 referendum. Ceredigion decisively voted to remain, but this vote was the highest in the north of the county and particularly in Aberystwyth where, in the wards adjacent to the University, it reached well over 70%.

A spatial analysis by Alun Williams, a county councillor and cabinet member from the nationalist party Plaid Cymru, shows that only in the southern parts of Ceredigion did the vote to leave slightly outweigh the Remain vote²¹. Interestingly, these parts of the county are distant from its universities and centres of the Welsh culture, while being popular with internal migrants from England. Overall, the proximity of higher education institutions and the high level of education

of the local population appeared to be strong predictors of the pro-EU vote in the county. Economic and cultural drivers intersect in these spatial dynamics, given that universities have a significant impact on both the local economy and cultural landscape – as John Grattan, Pro Vice-Chancellor for Student Experience and International, Aberystwyth University, pointed out, Aberystwyth University is the country's main centre of academic learning and instruction in the Welsh language, and only Bangor University in North Wales has comparable capacity and impact.²² Williams also pointed out that, looking from Aberystwyth, London does not seem much more remote than Cardiff. Further, he observed that many see the EU as the more generous authority compared with the two more geographically proximate governments when it comes to funding for the county.²³

This last point ties in with a number of economic factors identified through this research, which likely played into pro-EU attitudes in Ceredigion. Wales has traditionally received significant agricultural and structural funding from the EU in general, but this seems to have translated in much stronger Remain sentiment in Ceredigion compared to other areas, for example Brexit-supporting South Wales. Some of the experts interviewed for this report emphasised the fact that EU funding for the county is rather dispersed. Instead of being allocated predominantly to large infrastructure projects, as is the case in South Wales, a significant proportion of the funding in Ceredigion is funnelled directly



of fluent Welsh speakers don't identify as British voted to leave the EU

19 James D. and Pritchard H. 2016. The full EU referendum results map for every area in Wales. *Wales Online*. 24 June. Available at: <https://www.walesonline.co.uk/news/politics/full-eu-referendum-results-map-11510374>.

20 Lusher A. 2016. Aberystwyth: Welcome to the most Europhile place in Britain. *The Independent*. 5 March. Available at: <http://www.independent.co.uk/news/uk/home-news/aberystwyth-welcome-to-the-most-europhile-place-in-britain-a6913001.html>.

21 Williams A. 2016. Aberystwyth and Ceredigion's vote to Remain. 4 July. Available at: <http://bronglais.blogspot.com/2016/07/aberystwyth-and-ceredigions-vote-to-remain>.

22 Interview with John Grattan, Pro Vice-Chancellor for Student Experience and International, Aberystwyth University, 25 May 2018.

23 Interview with Alun Williams, 24 May 2018.

to individuals. For example, farmers receive direct payments under the EU's Common Agricultural Policy (CAP), and so 'they know where the money is coming from'.²⁴ Under the first pillar of the CAP, farmers receive direct subsidies dependent on the size of their land. In addition, they benefit from the second pillar of CAP that supports initiatives seeking to address economic, environmental and societal challenges in rural communities.

Structural funding from the EU, albeit more often spent on infrastructure projects, in some cases also directly benefited individuals in Ceredigion. For example, 2,265 of the county's residents took part in the 2007-2013 programme of apprenticeships financed from the European Social Fund. In the same period, the flood and coastal risk management programmes benefitted 765 households across the county. Finally, the Aberystwyth Innovation and Enterprise Campus received a £20 million investment from the EU.²⁵ Existing

literature on public spending and political support indicates fiscal transfers can encourage support for the EU in general,²⁶ but more granular analyses are rare. This blind spot extends over regional and sub-regional impacts of public funding and its allocation. Thus, existing literature is largely unable to explain variation in support for the EU at local level between places receiving a substantial share of its funding, as it is the case in Mid and South Wales. However, Lisa Dellmuth and Adam Chalmers recently drew on policy feedback theories to show that 'the fit between targeted transfers and economic need is an important determinant of support' for the EU.²⁷ Their analysis indicates that 'we can only understand the effects of spending on support for the EU when examining how transfers are spent'²⁸, and that positive correlation is strong in those cases, where this funding is appropriate for the local economic context. In addition, recent research also found that the support

24 Interview with Huw Rhys Thomas, 24 May 2018.

25 Llywodraeth Cymru Welsh Government. 2017. *EU funds in Wales*. Available at: <http://gov.wales/funding/eu-funds/?lang=en>.

26 Hooghe L. and Marks G. 2005. Calculation, community and cues: Public opinion on European integration. *European Union Politics*, 6(4), pp. 419–443.

27 Dellmuth L.M. and Chalmers A.W. 2017. All spending is not equal: European Union public spending, policy feedback and citizens' support for the EU. *European Journal of Policy Research*, 57, pp. 3–23, 18.

28 Ibid.

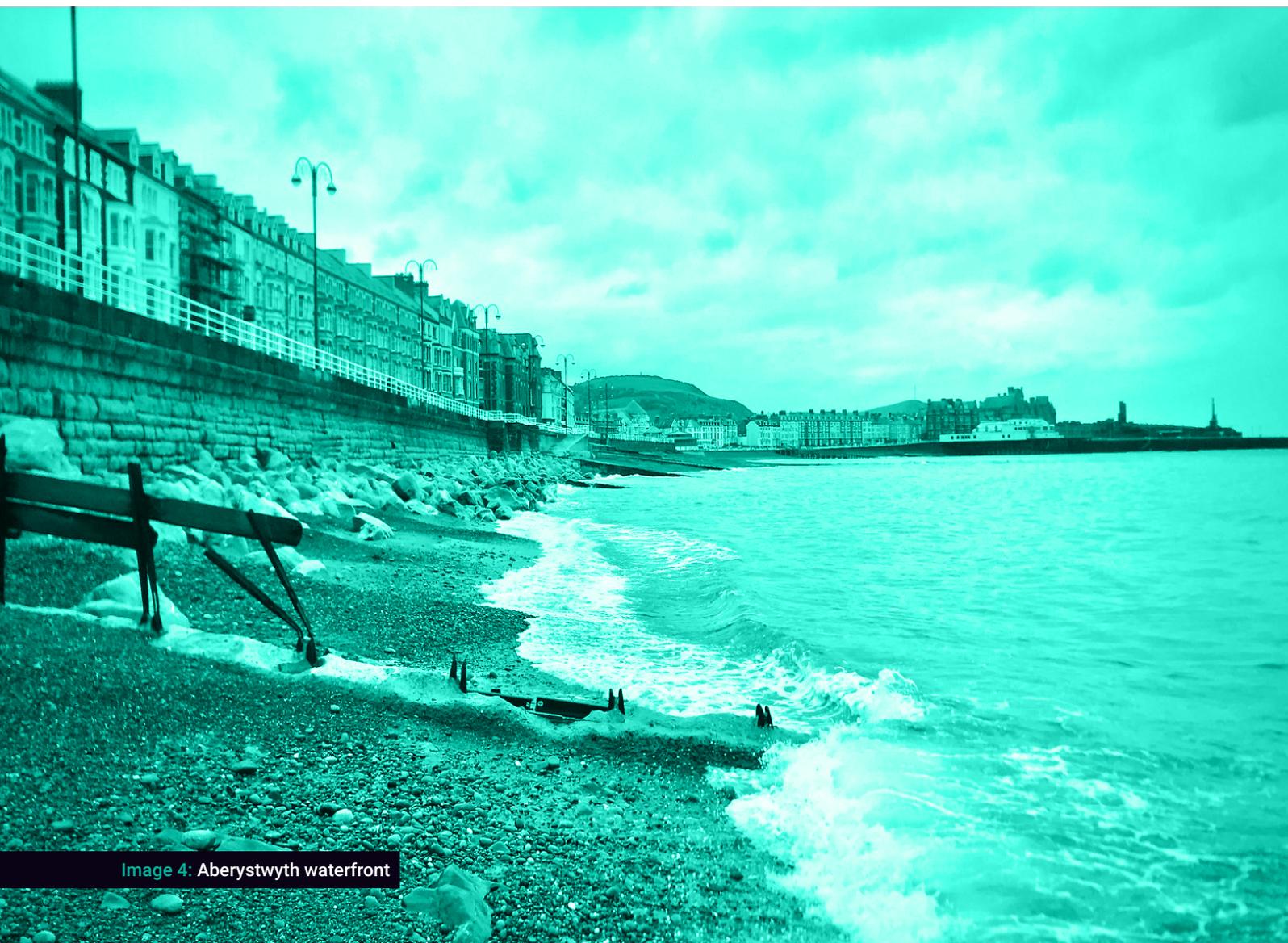


Image 4: Aberystwyth waterfront



Image 5: Llangynfelyn, St Cynfelyn's Church, Ceredigion

for the EU from regional parties depends on the level of EU funding their region receives,²⁹ and this holds true in case of the staunchly pro-European Plaid Cymru.

The above analyses of the role of EU funding in generating pro-EU attitudes fit in well with findings presented in this report, where experts generally concurred that the way EU funding was spent in Ceredigion positively impacted on pro-Remain attitudes. Some of the experts observed that the allocation of EU funding is inevitably unequal. To some in the county, especially in its southern parts which get a lower share of EU funding, the economic benefits of EU membership may not be all that clear, and that could tie in with higher levels of the vote to leave. However, as Elin Jones AM pointed out, uneven distribution of infrastructure funding is inevitable and thus a degree of grievance is to be expected.³⁰

Instead, Jones emphasised the role of cultural factors and observed that leave prevailed mainly in areas where internal migrants from England settle.³¹ Like Alun Williams, she primarily linked the vote distribution with the level of education,

which is lower in the southern parts of the county, and the proximity to universities. However, she also added that during the 2015 election and the 2016 referendum campaigns, migration and race relations for the first time emerged as doorstep issues, and that she witnessed xenophobic or racist remarks when canvassing across the county. In her view, this was linked with an increase in anti-migrant discourses in the national media and much of the tabloid press in particular.

Recent academic research also emphasises the role of cultural drivers in the Brexit vote.³² However, such analyses usually focus on how the politicisation of nationality – and of Englishness specifically –³³ pitted against transnational British and European identities precipitated the vote to leave.³⁴ Ceredigion, on the other hand, shows how a strong sense of Welshness was associated, though not uniformly, with the vote to remain.

Much of Ceredigion's population are Welsh speakers and many identify as Welsh but not British. It appears this played an important part in securing a win for Remain in the county.

29 Gross M. and Debus M. 2018. Does EU regional policy increase parties' support for European integration? *West European Politics*, 41 (3), pp. 594-614.

30 Interview with Elin Jones AM, 25 May 2018.

31 Ibid.

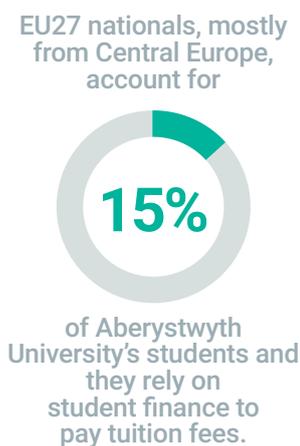
32 Curtice J. 2017. Why Leave won the UK's EU referendum. *JCMS: Journal of Common Market Studies*, 55, pp. 19-37; Hobolt S. B. 2016. The Brexit vote: a divided nation, a divided continent. *Journal of European Public Policy*, 23 (9), pp. 1259-1277; and Menon A. (Ed.). 2017. *Brexit and public opinion. UK in a changing Europe report*. Available at: <http://ukandeu.ac.uk/wp-content/uploads/2018/01/Public-Opinion.pdf>.

33 Virdee S. and McGeever S. 2017. Racism, crisis, Brexit. *Ethnic and Racial Studies*, 41 (10), pp. 1802-1819. See also Hayton R. 2016. The UK Independence Party and the politics of Englishness. *Political Studies Review*, 14(3), pp. 400-410.

34 Richards L. and Heath A. 2017. Sovereignty and cooperation: different dimensions of Brexit. In: Menon 2017. Available at: <http://ukandeu.ac.uk/wp-content/uploads/2018/01/Public-Opinion.pdf>.

Professor Richard Wyn Jones (Cardiff University), who analysed British Election Survey data, confirmed that there was a strong correlation between pro-EU attitudes and Welsh national identity. Across Wales, just 29 percent of those who feel strongly Welsh but not strongly British voted leave, compared to 58 percent of those who feel both strongly Welsh and strongly British.³⁵ Most strikingly, only 16% of those who are fluent in Welsh, and do not identify as British, voted to leave. This points to an interesting overlap between national identity and Remain sentiment which, if not accommodated within the Brexit settlement, may generate further tensions in Ceredigion and Wales.

Welsh nationalists from Plaid Cymru, who currently control Ceredigion's council, cabinet and the county's sole parliamentary seat, do not see the EU as a threat to their identity. On the contrary, they often see it as its custodian. Interviews with elected officials – who were all from Plaid Cymru, given the county's political landscape today – showed much cultural anxiety related to Brexit. Several experts pointed out that the EU generally protects minority rights,³⁶ a view that is supported by wider evidence on the Europeanisation of minority rights protection and the regionalisation of politics in EU member states.³⁷ When discussing this, some mentioned one striking feature of Aberystwyth's waterfront: namely, the unusual choice of flags that the town selected to line its scenic promenade. These are the flags of 'twenty European stateless nations and peoples',³⁸ such as the Basque Country, Brittany, Catalonia, Cornwall, Kashubia, Sápmi, Sardinia and Scotland, as well as the stateless and landless nation of the Romani people.



funding gap of £133 million per year

Under the EU's Common Agricultural Policy Wales receives 9.4% of all UK farm funding

Under the Barnett formula, used by HM Treasury to allocate devolved budgets, Welsh farms would receive only 5.6%

When driving towards Aberystwyth on A44, the road which links it with the south of England, drivers are welcomed by a road sign. Someone put a small sticker on it, and on closer look, the sign now reads 'European Republic of Ceredigion'.³⁹ However, the county may not be part of the bloc for much longer. The UK is scheduled to leave in March 2019 and, in this sense, Brexit means Brexit. But what does Brexit mean specifically for Ceredigion?

An exploration of the reasons and implications of the Brexit vote in Ceredigion reveals an interesting interplay of spatial, economic and cultural drivers of the vote. It points to the impact of direct EU funding and participation in the knowledge economy on the sense of Europeanness on the one hand, and on the other it raises questions about the future of the Welsh language, culture and identity – and Welsh nationalism – after Brexit. It also signals the need to consider these implications when planning a Brexit that meets the needs of local economies, and protects the rights of minorities that often depend on them.

35 Wyn Jones R. 2018. Holyhead will be one of the biggest losers from Brexit. *Irish Times*. 4 January. Available at: <https://www.irishtimes.com/news/ireland/irish-news/holyhead-will-be-one-of-the-biggest-losers-from-brexit-1.3343977>.

36 Interviews with Alun Williams, 24 May 2018; Elin Jones AM, 25 May 2018; and Ben Lake MP, 5 June 2018.

37 Memisoglu F. 2007. The European Union's minority rights policy and its impact on the development of minority rights protection in Greece. 14-15 June. Available at: http://www.lse.ac.uk/europeanInstitute/research/hellenicObservatory/pdf/3rd_Symposium/PAPERS/MEMISOGLOU_FULYA.pdf.

38 Williams A. 2015. Renewal of Aberystwyth's small nation flags. 7 June. Available at: <http://bronglais.blogspot.com/2015/06/a-renewal-of-aberystwyths-small-nation.html>.

39 This sign is shown in Image 1.

Brexit effects

Ceredigion's economy largely relies on the public sector, higher education, agriculture and hospitality to generate the county's wealth.

Interviews with experts consulted for this project showed that Brexit would impact all these sectors. However, given the constraints of this report, the following section will focus on two sectors, agriculture and higher education, to provide insights into the local impacts of Brexit.

Analyses of the sectoral impacts of Brexit show that EU farm subsidies currently make up between 50 and 60 percent of UK farm income. Initially, the British government guaranteed the current level of direct subsidies until 2020,⁴⁰ and subsequently it extended this guarantee 'until the end of the Parliament, under the expectation that this will be 2022'.⁴¹ It is, however, not clear what levels of support the British government will provide beyond 2022 and how this support will be allocated. Therefore, the main risk for agriculture is associated with uncertainty over direct subsidies, while other sectoral risks include uncertainty over trade and regulatory requirements, availability of plant protection products and access to labour.

With regards to higher education, 'arguably the most significant consequences of EU membership for the UK higher education sector are the provision of support to EU students studying in the UK and access to European research funding'.⁴² After Brexit, the British government will not have to provide student loans or maintenance funding for EU27 students, and could possibly charge tuition fees at overseas, rather than home, rates.⁴³ The UK may also lose access to EU research funding, and there are concerns that the recruitment of academic staff could be impacted as well, which would detrimentally affect the quality of research and teaching.

In general, these risks are also present in Ceredigion. In agriculture, the salience of risks associated with access to labour is relatively less significant than nationally, given that farming in the county is not as reliant on seasonal labour as it is in some other parts of the UK. As regards higher education, Aberystwyth University is heavily exposed to Brexit as well, and continued recruitment of EU27 students in particular emerges as a serious concern that threatens its future status. These and further impacts are discussed in detail in the two sections that follow.

Agriculture

The risk of Brexit mobilised both farmers' unions operating in Wales to endorse the Remain side. Following consultations with their members, the Farmers' Union of Wales (FUW), which largely represents smaller, family farms and operates only in Wales, and the National Farmers' Union Wales (NFU), which is part of the largest industry association for farmers in England and Wales, both took the view that continuing EU membership is in the interests of Welsh farmers.⁴⁴ The NFU's governing body voted fairly strongly in favour of a Remain position on 11 March 2016, although the union refrained from active campaigning. As its Political Adviser Huw Rhys Thomas recalls, 'it was a show of hands really, we didn't need to go to a count or anything; it was quite clear from the show of hands'.⁴⁵ This is somewhat surprising, given nationwide reports that farmers predominantly backed leaving the EU, but Peter Howells – also of the NFU – disputes this, and says it is not consistent with his experience of regular conversations about the issue with farmers in Ceredigion. Charlotte Priddy of the FUW, on the other hand, says her union worked hard to convince its members to

40 Grant W. 2016. The challenges facing UK farmers from Brexit. *EuroChoices*, 15(2), pp. 11-16; Miller 2016; and Swinbank A. 2017 World trade rules and the policy options for British agriculture post-Brexit. *UK Trade Policy Observatory Briefing Paper 7*. Available at: <http://blogs.sussex.ac.uk/uktpo/files/2017/01/Briefing-paper-7.pdf>.

41 Downing, E. and Coe, S. 2018. Brexit: Future UK agriculture policy. *House of Commons Library Briefing Paper 8218*. 31 January 2018. Available at: <https://www.parliament.uk/documents/commons-library/Brexit-UK-agriculture-policy-CBP-8218.pdf>.

42 Miller 2016.

43 Conlon G., Ladher R. and Halterbeck R. 2018. The determinants of international demand for UK higher education. *Higher Education Policy Institute Report 91*. Available at: <http://www.hepi.ac.uk/wp-content/uploads/2017/01/Hepi-Report-91-Screen.pdf>.

44 Interview with Charlotte Priddy, 25 May 2018.

45 Interview with Huw Rhys Thomas, 24 May 2018.

back Remain. FUW organised workshops in the run-up to the vote to discuss key issues, and debates were rather vigorous. While Priddy never asked for participants' position on Brexit to ensure the debates were on merits rather than voting choices, her assessment is that FUW members were evenly split in the referendum.

Grievances of farmers voting to leave were mainly around 'the red tape', and particularly the electronic tagging of sheep, which indeed stems from EU regulations.⁴⁶ Price volatility of agricultural products was also a frequent concern amongst farmers and, while not related to the EU membership, it seems to have compounded frustration with the agricultural policy and bolstered the vote to leave.⁴⁷

Agriculture experts interviewed for this report acknowledge these concerns, and some agree that the electronic tagging of sheep is an excessive requirement in the context of Mid-Wales farming. They also point out that the most significant Brexit impact to date has been in fact positive as CAP payments and lamb exports increased in value, given that the euro had appreciated in relation to the pound following the Brexit vote. However, they are quick to point out that this advantage is neither sustainable nor sufficient to offset future cuts or outright loss of farm subsidies and export markets. Finally, experts concur that new trade arrangements, if very favourable, might lead to improved access to Chinese and Middle Eastern markets for Welsh farmers.

While experts interviewed for this report agree that the benefits of Brexit are largely coincidental or uncertain, they also point out the following risks, which in their assessment will turn into negative impacts once the UK leaves the EU:

- CAP payments are made directly to farmers under the first pillar, while the second pillar is comprised of payments for specific rural development and environmental projects. The Welsh Government proposed to replace these subsidies after Brexit with a new Land Management Programme, which consists of the Economic Resilience scheme and the Public Goods scheme.⁴⁸ While these schemes may offset the loss of payments currently received under the second pillar of CAP, there have been no proposals to compensate for the loss of direct subsidies after Brexit. If this is the case, there is a clear risk that this new funding will disadvantage smaller and less dynamic farms.⁴⁹

- Further, CAP payments are calculated under a different formula than that used to allocate funding for devolved authorities in general. The CAP formula is based on agricultural criteria and, as a result, 9.4% of all UK funding for farms is allocated to Wales. Data analysed by the FUW shows that Wales receives just 5.6% of all UK funding under the Barnett formula, which is used by HM Treasury to allocate devolved budgets and is based on population and development criteria. This would translate into a gap of £133 million per year for agricultural subsidies.⁵⁰ The new funding formula was singled out as the key issue in the FUW's response to the EU Withdrawal Bill agreement between the British and Welsh governments in May 2018⁵¹ and is also highlighted by the NFU. Of note, this agreement was supported in the Welsh Assembly by the ruling Welsh Labour party but opposed by Plaid Cymru, which coordinates on the Withdrawal Bill with the Scottish National Party, and they are both against the bill in its current form.⁵²
- Post-Brexit agricultural regulations may be heavier, not lighter, and in particular experts consulted for this report identified the risk of a chaotic transition period where the farmers may struggle to adopt to new regulations. This is compounded by uncertainty over future agricultural and trade policy, and while farmers' unions seem to enjoy an improved access to ministers and are consulted more since the EU referendum, this fails to translate into more certainty over future policy direction, given the government is yet to clarify its own position.⁵³
- Experts concur that while new trade deals with China and countries in the Middle East may provide export opportunities if signed very soon, trade deals with the US and Australia threaten to undercut Welsh farmers on price. The US exports are cheaper and Welsh farmers currently enjoy an advantage on the quality of their produce, with US exports blocked by EU food standards regulations. This may not be the case after Brexit. Furthermore, 83% of Welsh food and live animal exports go to the EU and 35-40% of all lamb is exported, almost entirely to EU countries. After Brexit, farmers will have to find new markets for their produce where competition is on price rather than quality.
- The value of the land may become volatile, which would affect the farmers' ability to borrow money for investment – although there is no evidence of it dropping in value at the moment.

46 Interview with Charlotte Priddy, 25 May 2018.

47 Interview with Ben Lake MP, 5 June 2018.

48 Welsh Government. 2018. Brexit and our land: Securing the future of Welsh farming. Consultation responses by 30 October 2018. Available at: https://beta.gov.wales/sites/default/files/consultations/2018-07/brexit-and-our-land-consultation-document_1.pdf.

49 Interview with Charlotte Priddy, 25 May 2018, and email communication with Huw Rhys Thomas, 31 August 2018.

50 FUW information sheet for the Fair Farm Funding campaign, no date.

51 FUW. 2018. Devil will be in the detail - FUW response to EU Withdrawal Bill agreement. 26 April. Available at: <https://www.fuw.org.uk/news/13094-devil-will-be-in-the-detail-fuw-response-to-eu-withdrawal-bill-agreement>.

52 Interview with Elin Jones AM, 25 May 2018.

53 Interview with Huw Rhys Thomas, 24 May 2018.

- Finally, recruitment of a migrant workforce is not as much of a problem for farms in Ceredigion and Wales in general, as they are sheep, cattle and dairy farms and as such do not rely on seasonal workers as heavily as farms in much of England, especially orchards. However, there are significant risks to the upstream operations, given that 63 percent of workers in red and white meat processing plants are from EU27 countries, and 85% of vets there are from outside the UK.⁵⁴

This last aspect is actually visible in Ceredigion. The county's largest meat processing plant, located in Llanybydder near Lampeter and owned by the Irish firm Dunbia, is said to rely predominantly on Polish and Romanian workers. The town has few shops, and one of them is the Polish deli Majka,⁵⁵ which displays an 'Everyone Welcome' sign in its shop window. A smaller sign adds 'Produce Romanesti' (Romanian products

'Land has quite a significant cultural value for Wales. Farmers look after the landscape, and it's integral to the image of Wales... And the Welsh language and culture aspect is very strong in the farming community as well.'

Huw Rhys Thomas, National Farmers Union Cymru

available here). The deli was closed for the evening during the research visit, but the only shop that was open – a small chain supermarket – has a vast selection of Eastern European confectionery, cheese and meats, seemingly odd stock for a small town in Mid Wales.

54 NFU. July 2017. Vision for the future of farming: Access to a competent and flexible workforce. Available at: <https://www.nfuonline.com/nfu-online/news/nfu-reports/access-to-a-competent-and-flexible-workforce/>.

55 Shown in Photo 4.



Image 6: Majka, the Polish deli in Llanybydder

This leads to the final point about Ceredigion's agriculture. While it accounts for a relatively small percentage of the county's economic output, its significance is much greater because of the 'multiplier' mentioned across all interviews: every £1 generated in agriculture translates into £7.40 for the local economy through supply chains and spending.⁵⁶ Further, each job in farming generates 3.5 jobs in retail, wholesale, catering and manufacturing.⁵⁷ This figure does not include jobs in public services, whose delivery is only feasible because of farmers, and tourism, which relies on Ceredigion's rural landscape to attract visitors. Often, the link between agriculture and tourism is more direct, with the husband looking after the farm and the wife running a bed and breakfast or business, as Charlotte Priddy puts it⁵⁸.

A 2014 survey of 659 farms in Ceredigion, carried out by the FUW, put the farms' aggregate turnover at €144 million and their workforce at 3,200 people. While the county has just below 75,000 people, it has 100,000 cattle and 885,000 sheep, according to the survey.⁵⁹ Farming is a hugely important part of the county's life, not just in financial terms. As Huw Rhys Thomas puts it, land has 'quite a significant cultural value for Wales. Farmers look after the landscape, and it's fairly integral to the image that people from outside have of Wales... And the Welsh language and culture aspect is very strong in the farming community as well.'⁶⁰

Education

If agriculture is the economic sector that underpins Ceredigion's regional and national identity, then higher education is the key contributor to its economic welfare. Aberystwyth University has generated jobs and wealth in the county since it was founded as the University College of Wales in 1872, and Lampeter was home to the oldest university in Wales, founded in 1822 and given a royal charter in 1828. Given that in 2010 the latter merged with Trinity University College to form the University of Wales Trinity Saint David, with campuses in Lampeter, Carmarthen and Swansea, the report will focus on Aberystwyth, which operates in Ceredigion only. While the university does

not face as complex risks stemming from Brexit as it is the case with agriculture, the process of leaving the EU threatens to undermine its business model, which heavily relies on the recruitment of students from Central and Eastern Europe.

Aberystwyth currently has a student population of around 8,500, which accounts for nearly a third of the town's residents during term time. It enjoyed much success lately and was named University of the Year for Teaching Quality in the Times Good University Guide 2018.⁶¹ It was also the highest climber in The Guardian University Guide 2019.⁶² Major capital projects were recently completed on its main campus, notably the Visualisation Centre for which it had secured EU funding. Professor John Grattan, the University's Pro Vice-Chancellor for Student Experience and International at the time of interview, confirms that contracts have been signed for the new Innovation and Enterprise Campus. While the project is financed with EU funding,⁶³ it will not be directly affected by the UK's withdrawal.

However, the last few years have been somewhat turbulent for the University, as it reduced spending to offset falling income. In 2017, a two-year plan to save £11.4 million was announced, with threats to around 150 jobs.⁶⁴ This was followed up in 2018 with an announcement that seventeen senior management and support jobs would be lost, including the reduction of the number of pro vice chancellors from four to two, in a bid to save £300,000.⁶⁵

Grattan confirms this plan to reduce expenditure is underway. But despite the fact that the university has found itself in this financial turmoil owing to multiple factors, currently he identifies Brexit as the single key challenge that may upset efforts to balance the finances. It appears Aberystwyth is more vulnerable to Brexit than many others in the sector, precisely because Brexit compounds other systemic risks faced by the university. Its Financial Statements for the year ending 31 July 2017 show that the key single source of its income are tuition fees, which account for 46%, followed by research grants and contracts at 17% and funding grants at 10%.⁶⁶ The same report identifies the changes to student fees, and the

56 Interviews with Huw Rhys Thomas and Peter Howells, 24 May 2018, and Charlotte Priddy, 25 May 2018.

57 FUW. No date. Welsh farming at glance.

58 Interview with Charlotte Priddy, 25 May 2018.

59 FUW 2014 survey data provided by Charlotte Priddy, 25 May 2018.

60 Interviews with Huw Rhys Thomas and Peter Howells, 24 May 2018.

61 Aberystwyth University. 2017. Aberystwyth named University of the Year for Teaching Quality. 22 September. Available at: <https://www.aber.ac.uk/en/news/archive/2017/09/title-206783-en.html>.

62 Aberystwyth University. 2018. League table climb continues for Aberystwyth University. 29 May. Available at: <https://www.aber.ac.uk/en/news/archive/2018/05/title-213606-en.html>.

63 Aberystwyth University. 2014. Innovation and Enterprise Campus secures £20m funding. 15 December. Available at: <https://www.aber.ac.uk/en/news/archive/2014/12/title-161032-en.html>.

64 Betteley C. 2017. Up to 150 university jobs may be at risk, says union. *Cambrian News*. 17 May. Available at: <http://www.cambrian-news.co.uk/article.cfm?id=114457&headline=Up%20to%20150%20university%20jobs%20may%20be%20at%20risk,%20says%20union§ionis=news&searchyear=2017>.

65 Betteley C. 2018. 100 jobs under threat due to university cuts. *Cambrian News*. 4 April. Available at: <http://www.cambrian-news.co.uk/article.cfm?id=120016&headline=100%20jobs%20under%20threat%20due%20to%20university%20cuts§ionis=news&searchyear=2018>.

66 Aberystwyth University. 2017b. Financial statements for the year ending 31 July Available at: [https://www.aber.ac.uk/en/media/departmental/finance/pdf/2016-17-Financial-Accounts-\(Eng\).pdf](https://www.aber.ac.uk/en/media/departmental/finance/pdf/2016-17-Financial-Accounts-(Eng).pdf), 4.

opening of the gap in the fees cap between England and Wales as a key risk.⁶⁷ This is because while English universities were allowed to increase the fees to £9,250 per year, the Welsh Government decided to keep the fees capped at £9,000.⁶⁸ This puts a squeeze on the university as it is not allowed to raise the fees in line with inflation on the one hand, and keeps losing students on the other. The latter process partly results from the tripling of tuition fees in 2010, as research has shown students are likely to now choose universities closer to home. This disadvantages Aberystwyth because, as John Grattan puts it, they 'have no urban hinterland to recruit from'.⁶⁹

The university's Financial Statements identify key risks for the university in terms of student recruitment and retention, financial sustainability and reputation; the latter is largely related to its position in league tables, which historically dropped, but recently there has been significant improvement across all major university rankings. Reputation aside, these areas of concern can be significantly impacted by the UK's withdrawal from the EU. Therefore, the report states that the 'uncertainties generated by Brexit further exacerbate the position of the University as it is likely to substantially impact the number of EU students wanting to study in the UK. The referendum result also creates uncertainty around research funding.⁷⁰ Grattan contextualises this further and states the impact of Brexit on student recruitment is paramount given that:

- Around 15% of all students at Aberystwyth are from EU27 countries.
- Over the years, the university has actively recruited EU27 students and has developed strong ties with recruitment agents in Poland and Romania in particular, and it has limited fallback options to make up for a significant drop in this recruitment stream.
- EU27 recruits are most often dependent on student financing.



Therefore, the future recruitment and retention of EU students will depend on three key variables which are currently uncertain:

- the immigration policy for EU27 citizens after Brexit;
- the status of EU27 citizens with regards to tuition fees (i.e. whether they would be charged home or much higher international fees);
- the status of EU27 citizens with regards to student finance (i.e. whether they would be able to access student loans and grants on the current terms, or not).

In July 2016, shortly after the referendum, Grattan publicly highlighted that 100 prospective EU27 students withdrew their applications to Aberystwyth.⁷¹ While he says this does not translate into a significant reduction in recruitment and retention as of May 2018, this is because the university has worked with its partners to reassure current and prospective recruits from EU27 countries. However, future recruitment strongly depends of the Brexit settlement for higher education.

Should the university's current financial problems be exacerbated by the effects of Brexit, where the drop in EU27 students is the primary risk and the loss of research funding a secondary one, the impact on the town and its hinterland would be considerable. While Aberystwyth recruits globally for academic roles, many local residents work in support roles or are employed in the university's extensive supply chains. Further, some of the graduates find employment within the university and remain in town, which has a positive demographic impact given the outflow of young people from Ceredigion in general. Finally, the university's arts and wellbeing facilities are open to all residents. While there is an element of economic calculation here – these facilities are subsidised by the university, but the university also relies on them to attract students – the town would be culturally poorer should they be lost through cost-saving measures. This assessment is backed up by the university itself, as well as local politicians representing Aberystwyth in the County Council and the Welsh Assembly.⁷²

As these findings show, Ceredigion's exposure to Brexit is considerable and both education and agricultural experts identify it as the key risk at the moment. These effects would be economic as well as, perhaps less directly, cultural. The last section of this report, therefore, elaborates on the kind of Brexit that would minimise the above impacts.

67 Ibid., 7.

68 BBC. 2017. Tuition fee rise to £9,295 in Wales scrapped. 18 October. Available at: <https://www.bbc.co.uk/news/uk-wales-politics-41664499>.

69 Interview with Professor John Grattan, 25 May 2018.

70 Aberystwyth University. 2017. Financial Statements for the Year ending 31 July 2017. Available at: [https://www.aber.ac.uk/en/media/departmental/finance/pdf/2016-17-Financial-Accounts-\(Eng\).pdf](https://www.aber.ac.uk/en/media/departmental/finance/pdf/2016-17-Financial-Accounts-(Eng).pdf), 7.

71 BBC. 2016. 100 cancel Aberystwyth University places after Brexit. 15 July. Available at: <https://www.bbc.co.uk/news/uk-wales-36799951>.

72 Interviews with Elin Jones AM, 25 May 2018; and Alun Williams, 24 May 2018.

Challenges and opportunities

The above analysis shows that Brexit presents a high degree of risks to Ceredigion's economy and society. Leaving the EU may significantly disrupt its key industries while offering very few opportunities, as shown using the examples of agriculture and higher education.

Brexit opportunities appear to be elusive and include the possibility of lighter regulation for the agricultural sector, and of new export markets opening up if favourable trade deals are negotiated after the UK departs the EU. Further, Brexit also poses a serious challenge to Welsh identity, and so there is strong support for remaining in the EU amongst Welsh nationalists.

However, interviews with local experts also outline the contours of a Brexit scenario that would allow Ceredigion to mitigate against key risks brought by leaving the EU. Viewed from Ceredigion, such positive Brexit outcomes would include:

- remaining within the single market and customs union in order to retain market access and regulatory frameworks, especially for its agricultural imports and exports;
- retaining access to home fees and tuition and maintenance funding for EU27 students whose recruitment is fundamental to Aberystwyth University's financial health;
- replacing CAP subsidies with a distribution formula mirroring payments from its first and second pillar, and not allocated according to the Barnett formula as that would generate a funding gap of £133 million per year in farming alone;
- relaxing some of the agricultural regulation to allow more flexibility in areas where this does not elevate environmental and epidemiological risks;
- matching structural support for Wales by the national government on a pound-for-pound basis;

- introducing further protections and support for minority rights and languages, as well as devolved and local governments;
- developing a vision of responsible and inclusive politics at the level of devolved government in Wales, and local government in Ceredigion;
- advancing a diversified development strategy aimed at addressing the current economic and demographic challenges in Ceredigion, and related cultural tensions which, while at risk of being compounded by Brexit impact, do not stem from it.

Studying the impact of Brexit in Ceredigion is important for two reasons: first, it makes somewhat abstract concerns about trade and sovereignty more immediate and relatable, showing how they cascade all the way down to everyday lives. But secondly, it also shows that the external dimension of Brexit – that is, the withdrawal from and the future relationship with the EU – overshadows equally important internal dimensions of Brexit,⁷³ such as the question about economic development, identity politics and the future of the devolution and localism agendas of the UK government. Most likely, the next few years will shape the country's future economic policy and governance practices. They can bring politics of resentment, or politics of hope.⁷⁴ In order to articulate the latter, local impacts of Brexit have to be adequately scrutinised and debated.

73 Awan-Scully R. 2018. Devolutionist unionist? Brexit won't ease the complexities of Welsh politics. *LSE Brexit Blog*. 1 June. Available at: <http://blogs.lse.ac.uk/brexit/2018/06/01/devolutionist-unionist-brexit-wont-ease-the-complexities-of-welsh-politics/>.

74 Wyn Jones R. 2016. Why did Wales shoot itself in the foot in this referendum? *The Guardian*. 27 June. Available at: <https://www.theguardian.com/commentisfree/2016/jun/27/wales-referendum-remain-leave-vote-uk-eu-membership>.

Appendix

Appendix 1: Sociodemographic/voting/economy

Local Authority	Data source	Barnet	Ceredigion	Mansfield	Pendle	Southampton	Country	(countries included)
Electorate in Brexit referendum	Electoral Commission	223467	53400	77624	64534	158171	46500001	United Kingdom
Number of valid votes in Brexit referendum	Electoral Commission	161033	39742	56344	45335	107665	33551983	United Kingdom
Percentage voting remain in Brexit referendum	Electoral Commission	62.2%	54.6%	29.1%	36.9%	46.2%	48.1%	United Kingdom
Percentage voting leave in Brexit referendum	Electoral Commission	37.8%	45.4%	70.9%	63.2%	53.8%	51.9%	United Kingdom
CEP estimate for soft Brexit effect (% of GVA)	CEP	-1.5%	-1.2%	-1.4%	-1.2%	-1.2%	-1.3%	United Kingdom
CEP estimate for hard Brexit effect (% of GVA)	CEP	-2.2%	-1.5%	-2.0%	-1.4%	-1.9%	-2.7%	United Kingdom
Percentage of live births to mothers not born in the UK	ONS	58.7%	11.1%	17.1%	28.9%	34.8%	26.9%	United Kingdom
Percentage non-British	ONS	20.8%	4.0%	7.6%	6.7%	19.7%	9.3%	United Kingdom
Percentage non UK born	ONS	39.0%	6.7%	8.6%	8.9%	22.9%	14.1%	United Kingdom
Percentage born in UK, 2011	2011 Census	61.1%	94.0%	94.4%	89.1%	82.4%	86.6%	England and Wales
Percentage born in other EU countries, 2011	2011 Census	10.4%	2.6%	3.5%	2.3%	6.7%	4.3%	England and Wales
Percentage white UK born	APS	45.5%	92.5%	86.8%	80.4%	74.8%	79.7%	United Kingdom
Percentage white not UK born	APS	19.4%	4.4%	6.2%	4.7%	11.8%	6.8%	United Kingdom
Percentage ethnic minority UK born	APS	17.2%	0.9%	2.0%	6.4%	3.8%	6.5%	United Kingdom
Percentage ethnic minority not UK born	APS	18.0%	2.3%	5.0%	8.5%	9.6%	7.0%	United Kingdom
Employment share: Agriculture, forestry & fishing	BRES	0.0%	1.7%	0.0%	0.1%	0.0%	1.6%	Great Britain
Employment share: Mining, quarrying & utilities	BRES	0.2%	0.8%	0.7%	0.7%	0.5%	1.2%	Great Britain
Employment share: Manufacturing	BRES	2.3%	4.2%	9.8%	28.1%	3.4%	7.9%	Great Britain
Employment share: Construction	BRES	6.1%	5.8%	7.3%	4.7%	3.0%	4.7%	Great Britain
Employment share: Motor trades	BRES	1.3%	1.7%	2.4%	1.9%	1.7%	1.8%	Great Britain
Employment share: Wholesale	BRES	3.0%	2.0%	4.3%	3.9%	2.6%	3.9%	Great Britain
Employment share: Retail	BRES	11.4%	10.0%	12.2%	10.9%	9.4%	9.5%	Great Britain
Employment share: Transport & storage (inc postal)	BRES	3.0%	2.3%	2.2%	2.2%	6.8%	4.8%	Great Britain
Employment share: Accommodation & food services	BRES	6.8%	13.3%	6.1%	7.0%	6.8%	7.4%	Great Britain
Employment share: Information & communication	BRES	4.5%	1.3%	1.5%	3.9%	6.0%	4.1%	Great Britain
Employment share: Financial & insurance	BRES	1.9%	0.8%	1.5%	1.4%	3.0%	3.5%	Great Britain
Employment share: Property	BRES	4.5%	1.5%	0.9%	1.4%	1.5%	1.7%	Great Britain
Employment share: Professional, scientific & technical	BRES	11.4%	3.3%	4.3%	3.9%	5.1%	8.7%	Great Britain

Local Authority	Data source	Barnet	Ceredigion	Mansfield	Pendle	Southampton	Country	(countries included)
Employment share: Business administration & support services	BRES	8.3%	2.0%	12.2%	4.7%	12.0%	8.8%	Great Britain
Employment share: Public administration & defence	BRES	3.4%	6.7%	4.3%	2.5%	4.3%	4.2%	Great Britain
Employment share: Education	BRES	11.4%	20.0%	8.5%	9.4%	12.0%	8.6%	Great Britain
Employment share: Health	BRES	15.2%	13.3%	14.6%	10.9%	17.1%	13.0%	Great Britain
Employment share: Arts, entertainment, recreation & other services	BRES	5.3%	5.0%	4.3%	2.5%	3.8%	4.6%	Great Britain
Percentage with NVQ level 4+, aged 16-64	APS	54.0%	31.4%	17.5%	21.5%	36.0%	38.4%	United Kingdom
Percentage with no qualifications, aged 16-64	APS	5.5%	7.6%	11.2%	9.1%	7.4%	8.0%	United Kingdom
Population, 2017	APS	389,700	74,800	105,800	89,700	250,900	65,114,500	United Kingdom
Social Mobility Index (ranking out of 324)	Social Mobility Index	9	Not available	315	144	247	Not applicable	Not applicable
General Election 2015: Percentage Conservative	Electoral Commission	49.5%	11.0%	28.2%	47.2%	39.7%	36.8%	United Kingdom
General Election 2015: Percentage Labour	Electoral Commission	38.4%	9.7%	39.4%	34.9%	19.1%	30.4%	United Kingdom
General Election 2015: Percentage UKIP	Electoral Commission	5.5%	10.2%	25.1%	12.2%	12.8%	12.6%	United Kingdom
General Election 2015: Turnout	Electoral Commission	68.0%	69.0%	60.9%	68.8%	63.4%	66.4%	United Kingdom
General Election 2017: Percentage Conservative	Electoral Commission	47.1%	18.4%	46.6%	49.0%	42.8%	42.4%	United Kingdom
General Election 2017: Percentage Labour	Electoral Commission	45.2%	20.2%	44.5%	46.2%	47.7%	40.0%	United Kingdom
General Election 2017: Percentage UKIP	Electoral Commission	0.6%	1.5%	5.3%	0.0%	1.0%	1.8%	United Kingdom
General Election 2017: Turnout	Electoral Commission	70.5%	73.3%	64.5%	69.0%	67.1%	68.8%	United Kingdom
Price level, 2016 (regional, relative to UK index of 100)	ONS	107.2	98.1	99.6	98.8	101.5	100.0	United Kingdom
House price, 2017 (mean transaction price)	Land Registry	£691,914	£224,337	£148,961	£114,441	£268,534	£345,715	England and Wales

Notes

Employment by ethnicity data is obtained from Nomis but is not included here due to space constraints

Electoral commission data for the EU referendum is available at <https://www.electoralcommission.org.uk/find-information-by-subject/elections-and-referendums/past-elections-and-referendums/eu-referendum/electorate-and-count-information>

The Centre for Economic Performance (CEP) paper is available at <http://cep.lse.ac.uk/pubs/download/brexit10.pdf>

The ONS migration data is available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/localareamigrationindicatorsunitedkingdom>

Data from the Census, Annual Population Survey (APS), and Business Register and Employment Survey (BRES) are available at Noms: <https://www.nomisweb.co.uk/>

The Social Mobility Index is only available for England

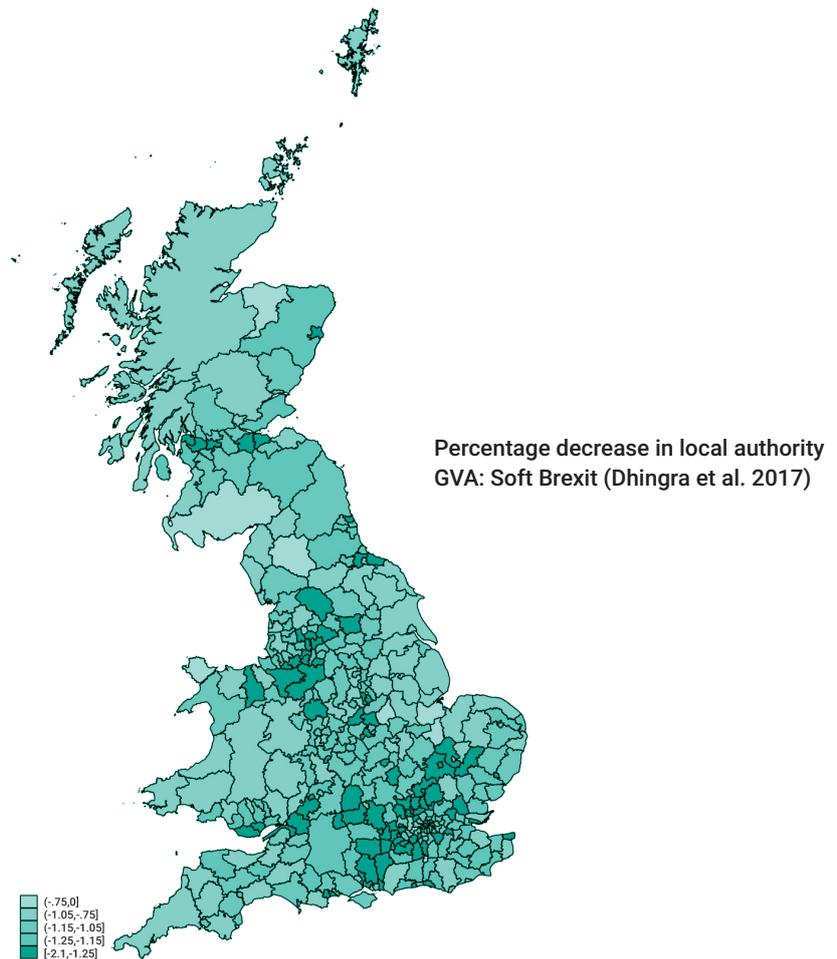
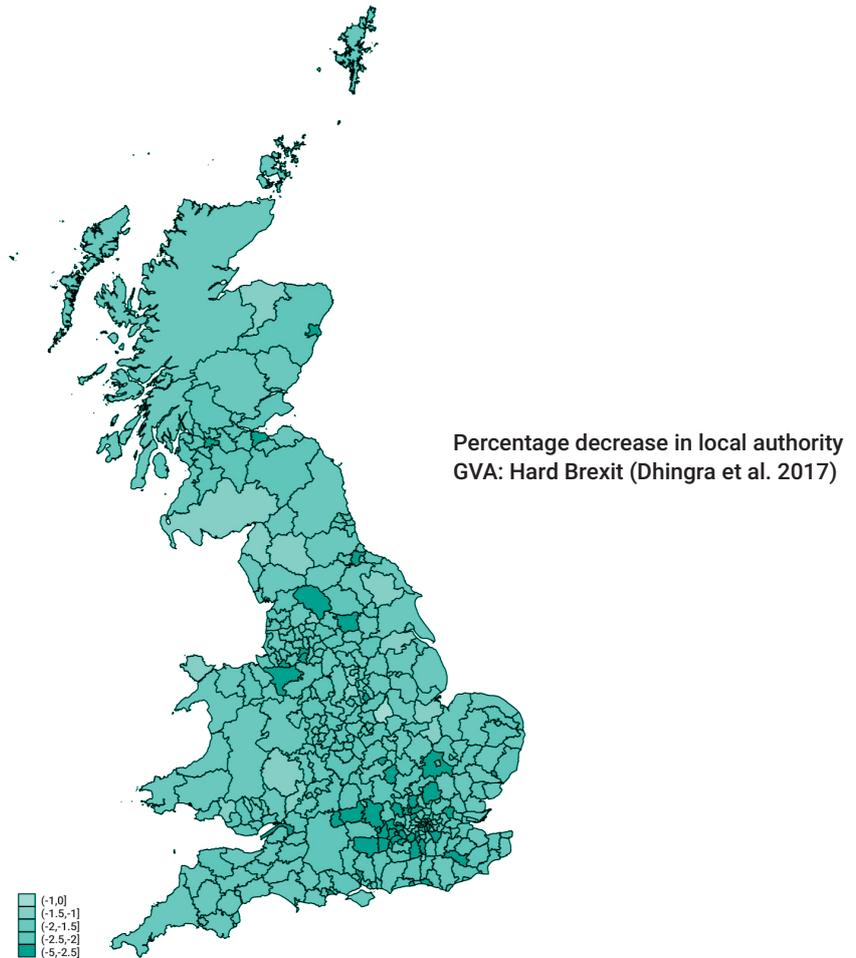
ONS regional price data is available at: <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/relative-regional-consumer-price-levels-uk/2016>

House Price data is available at: <https://www.gov.uk/government/statistical-data-sets/price-paid-data-downloads>

Electoral Commission data for the 2015 and 2017 general elections is available at: <https://www.electoralcommission.org.uk/our-work/our-research/electoral-data/electoral-data-files-and-reports>

General election voting data is available at the parliamentary constituency level whereas this project focuses on local authorities. We impute local authority level data by fitting constituencies into local authorities. For Ceredigion, Mansfield and Pendle, the parliamentary constituency is equivalent to the local authority. Barnet is a combination of three parliamentary constituencies, namely: Finchley and Golders Green, Hendon, and Chipping Barnet. For these four local authorities there is no issue in obtaining local authority level general election data. Southampton is constructed of two full constituencies - Test and Itchen - and part of the constituency Romsey and Southampton North. To obtain general election data for Southampton, we use the population-weighted mean of the general election results for these constituencies. This requires us to assume that the voting behaviour of voters in the section of Romsey and Southampton North that is in the local authority Southampton is equivalent to the proportion that is outside of Southampton local authority. We believe that this is a reasonable assumption. Further, it only affects a 11.9% of the Southampton population, so any induced error is likely to be relatively very small.

Appendix 2: Post Brexit percentage decrease in local authority



Acknowledgements

We would like to thank those who agreed to be interviewed for this research: Professor John Grattan (Pro Vice-Chancellor of Aberystwyth University), Peter Howell and Huw Rhys Thomas (National Farmers' Union Cymru), Elin Jones AM (Speaker of the National Assembly for Wales), Ben Lake MP (Member of Parliament), Charlotte Priddy (Farmers' Union of Wales), and Alun Williams (Ceredigion Council and Cabinet). They provided data, insights and views about the impacts of Brexit on Ceredigion, which this report largely relies on. We would also like to also thank Dr. Justa Hopma (Sheffield University), Dr. Dyfan Powell (Wavehill Research), and Professor Michael Woods (Aberystwyth University) for their kind help and advice at the initial stage of this research.





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