

COMPARATIVE POLITICS

Brexit Britain: The Consequences of the Vote to Leave the European Union. By Paul Whiteley, Harold D. Clarke, Matthew Goodwin, and Marianne C. Stewart. Cambridge: Cambridge University Press, 2023. 280p. £14.99 cloth. doi:10.1017/S1537592724001191

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This interesting book documents the political turmoil that followed the referendum on EU membership in 2016, applies statistical techniques to decipher the changing voting pattern in the United Kingdom, and finally assesses the long-term economic and political effects of the referendum results.

A striking feature of the book is the contrast between the political turmoil described in the first part of the book and the finding that EU membership had no discernible effect on productivity or productivity growth over the 43 years of membership. Taking these and other results in the book at face value, the reader may conclude that the political class and society was struck by collective madness in the period of 2016–2020. Much ado about nothing.

While the description of the political bedlam that followed the referendum under the short-lived governments of Theresa May and Boris Johnson is disconcerting, the book manages to delve beneath the mayhem into slow-moving underlying trends of great interest. There is the diminishing effect of social class, the Conservative party's loss of party loyalty after the 1997 elections, and the emergence of age as the great divide between remainers and leavers and voters of the two main parties. These trends may resemble those in other European countries and the United States although the authors do not make such a comparison. The young care more about education, housing, and the economy, and the old care about immigration, the National Health Service (NHS), and Brexit. Moreover, the authors find that voters choose a political party that they believe can achieve widely accepted goals, such as improved healthcare and a prospering economy.

In the empirical work on the determinants of election outcomes in the post-referendum period, the authors face the problem that many of the causal factors are interrelated—what econometricians call “multicollinear.” One example is the models used to study the 2019 General Election outcome. The authors find that *valence politics*—captured by views on which party does best in terms of the performance of the economy and the NHS, feelings about party leaders, and patrician attachment—has the highest explanatory power, followed by populism—captured by the Brexit vote, views on immigration, and anti-establishment attitudes as well as the feeling of being left behind. However, a voter who cares about the economy

and the NHS may also find that limiting immigration and “taking back control” is a way to accomplish those goals, and he may trust the politician Boris Johnson best to accomplish what he deems to be a necessary break from the European Union. In a nutshell, it is difficult to disentangle these effects using statistical methods.

The authors distinguish age, time, and cohort effects and find interesting results. While older voters are more likely to favor Brexit and vote for the Conservatives, there are also interesting cohort patterns in election participation and voting patterns. Participation is highest for the cohorts that came of age during the Great Depression, WWII, and in the aftermath of the war and much lower for the Blair and austerity cohorts. The cohort effects on voting patterns are more notable for the Conservatives, which peter out with the Blair cohort after 1997, while only the WWII cohort is significantly more likely to vote Labour. Not being able to rely on cohorts to the same extent as before, the Conservatives, as well as Labour, have to convince voters at each election that they can attain widely agreed goals such as improving the economy and healthcare. For the Conservatives, the votes of the older generation contribute to them having an edge in elections. Otherwise, elections are becoming more difficult to predict over time and depend on economic factors such as the unemployment rate that signal the competence of the ruling political party.

Across regions, the authors find that the vote share of the two large parties depends less on social class than in the 1960s and much more on the share of the young (increasing the vote share of Labour) and the share of the old (increasing the vote share of the Conservatives), the percentage of people who are homeowners (raising the share of the Conservatives), and regional unemployment (increasing the share of Labour). Despite social class being less important, the data do show that the Conservative share is positively related to the Human Development Index, and Labour's share is negatively related.

The empirical study of the effect of Brexit yields the surprising result that the entry into what was then the European Community in 1973 had no effect on productivity growth, which is the only macroeconomic measure of economic performance used in the book. It is as if the economy is impervious to barriers to trade. This analysis leaves much to be desired. First, it is unclear if total factor productivity is defined in levels or growth rates. This makes a big difference in the statistical analysis since the level of productivity is a non-stationary variable and also cannot be explained by the regressors used in the estimated equations. Moreover, productivity growth is used as a measure of innovation, the premise being that productivity growth in the long run depends only on the rate of innovation. This interesting book's second edition would benefit from clarifying these concepts.

First, productivity growth does not require innovations taking place within the country. Productivity growth in most countries is caused by domestic firms adopting foreign technologies, for example, through direct foreign investment or by learning from foreign firms, the latter being instrumental to the post-war golden age of growth in Western Europe and Japan and China in the past three decades. This leads to the second point, which is that the regression analysis misses out an important explanatory variable, which is the productivity gap between these countries, on the one hand, and the United States, on the other hand. The larger the gap, the more the countries have to learn from the United States, and the more rapid is productivity growth. Productivity can also grow through increased trade and specialization, for example, in finance as happened in London in the 1980s. In contrast, it is unclear how many of the regressors could have affected productivity growth, such as the IMF Loan Crisis of 1976 and the Poll Tax Revolt in 1988.

The departure of the United Kingdom from the European Union has created trade barriers and those take time to affect productivity. This effect may work through

reduced trade, increased costs of red tape in any case—which affects small export and importing firms the most—possibly lower foreign direct investment, and increased costs of maintaining production chains across borders. At the personal level, travel to Europe by British citizens becomes more complex and also having second homes on the Continent. Education also suffers, with British universities losing around half of the pre-Brexit number of students from the Continent.

Being outside the European Union makes it more difficult for the United Kingdom to tackle external problems in collaboration with other European countries, such as stemming the flow of migrants from North Africa and the Middle East, facing the security threat in Eastern Europe, or agreeing on measures to slow the pace of global warming. The most significant loss is losing access to the European single market, a construction the United Kingdom contributed so much to.

The main contribution of *Brexit Britain* is to document the political fallout from the 2016 referendum vote and decipher the changing trends behind the voting results. The consequences of the departure will become more apparent with the passage of time.