

MATT KENYON.



IPE Berlin
Institute for International
Political Economy Berlin



Hochschule für
Wirtschaft und Recht Berlin
Berlin School of Economics and Law

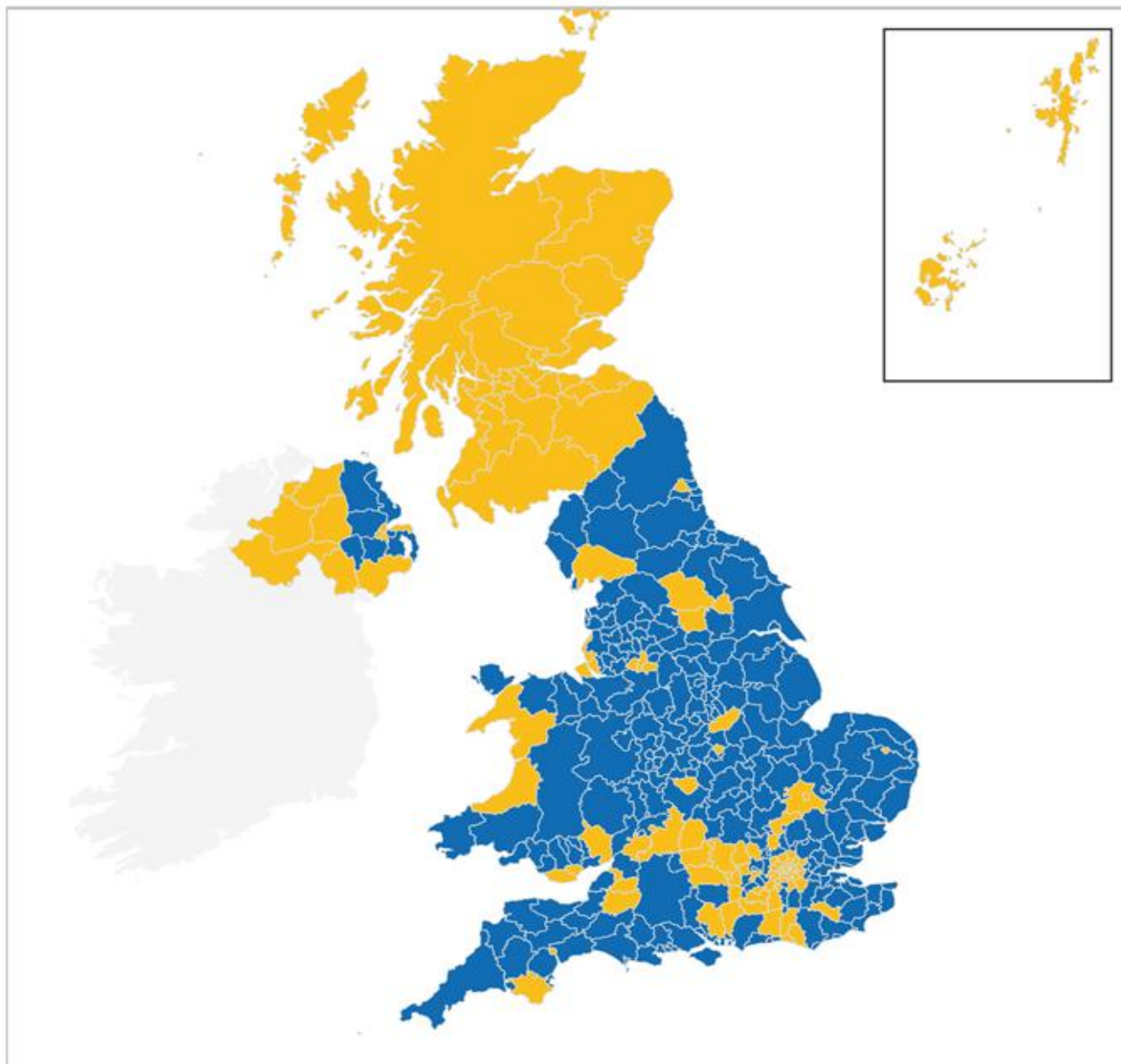
Brexit and the EU

Trevor Evans

IPE Political Economy Forum

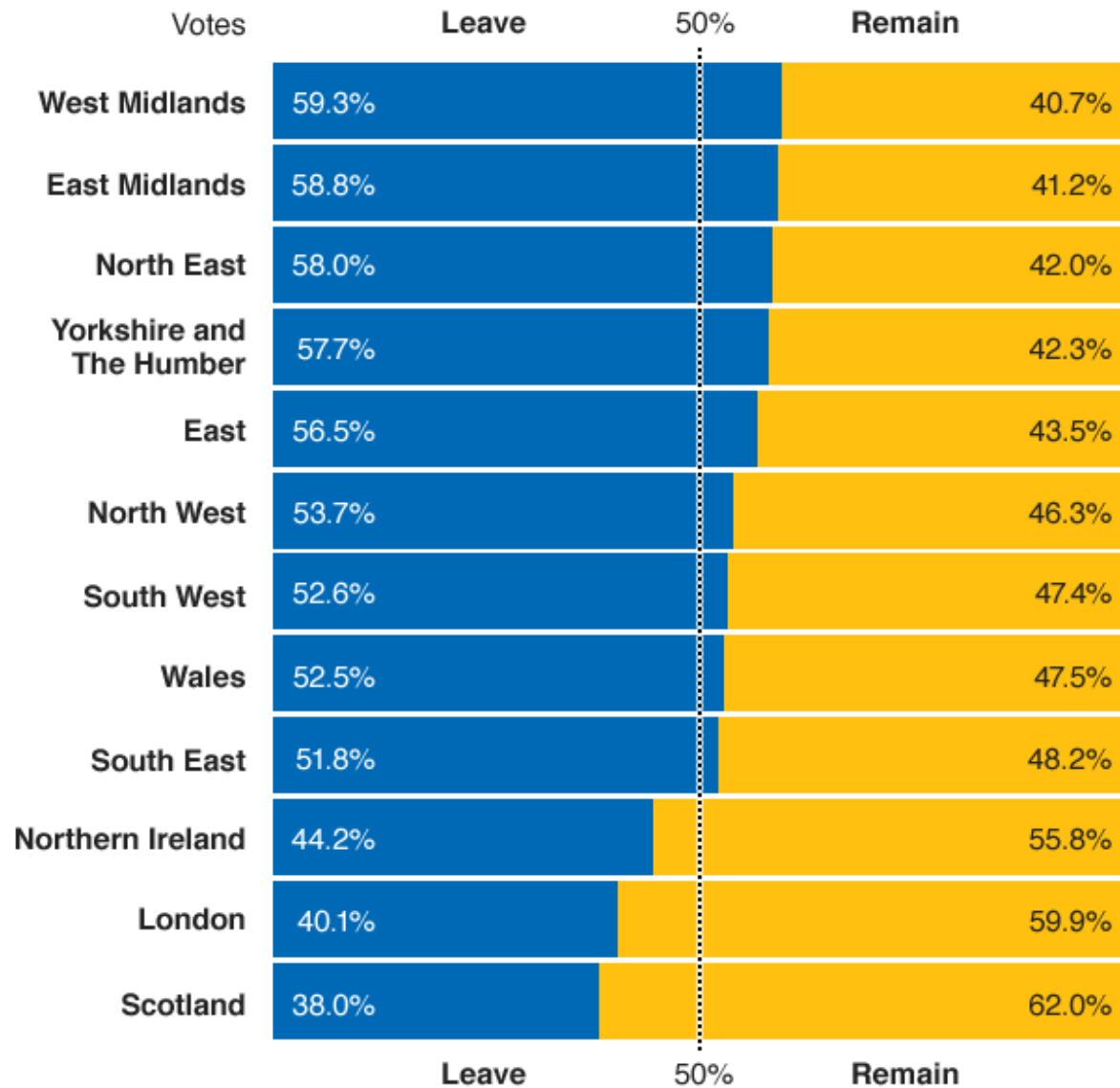
15 July 2016

Key: ■ Majority leave ■ Majority remain ■ Tie ■ Undeclared

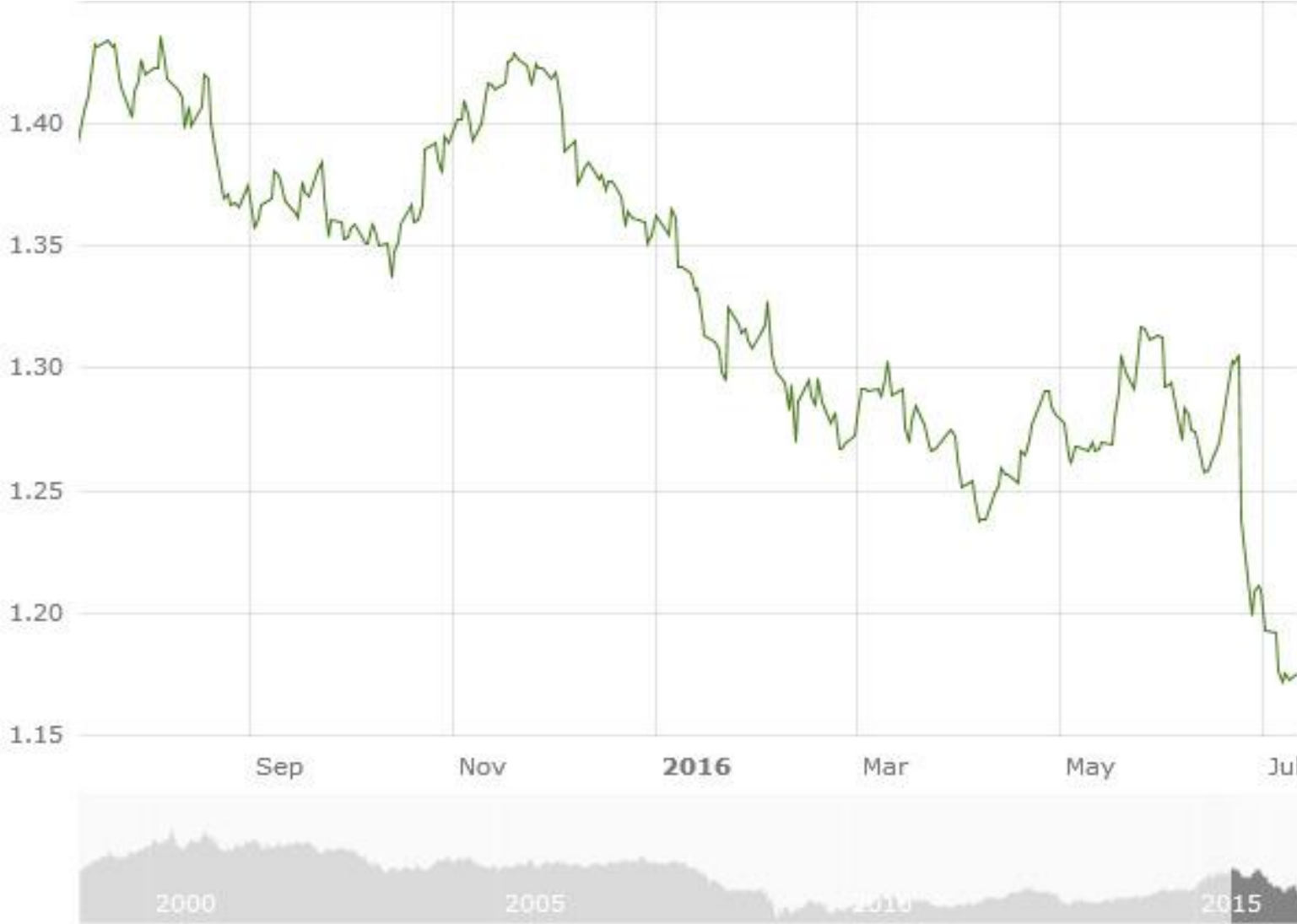


Results of British referendum on remaining in the EU, 23 June 2016

How Leave won the referendum



Pound – euro exchange rate ... Fell by 10%





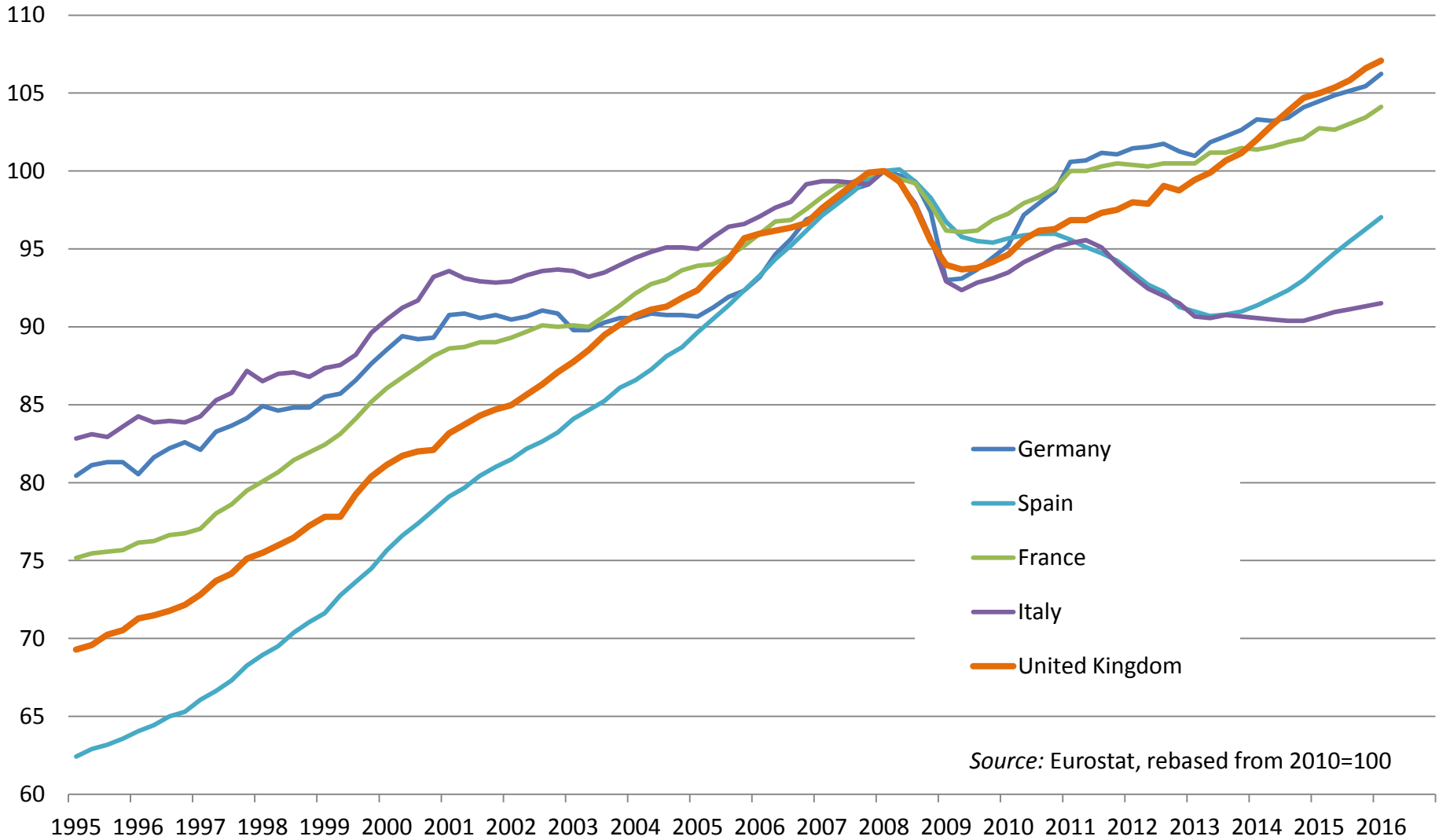
An English flag outside a house in a suburb of Wigan, a gritty northern English town where 64 percent of the population voted for “Brexit.” Credit Andrew Testa for The New York Times

Numbers of foreign citizens and migrants in Selected European countries around 2009

	Year	Pop.	Foreign born and/or parent born abroad		Foreign born		Foreign citizens		
	(of data)	(millions)	(millions)	(%)	(millions)	(% of total pop.)	(millions)	(% of total pop.)	(% of foreign born)
Austria	2011	8.4	n.a	n.a	1.0	11.9	0.9	11.0	92.4
Belgium	2007	10.6	n.a	n.a	1.4	13.0	1.0	9.1	70.4
Denmark	2011	5.6	0.6	10.2	0.4	7.7	0.3	6.3	80.7
Finland	2010	5.4	n.a	n.a	0.2	4.6	0.2	3.1	67.7
France	2008	64.0	n.a	n.a	5.3	8.4	3.7	5.8	69.5
Germany	2009	81.9	16.0	19.6	10.6	12.9	7.1	8.7	67.3
N'lands	2011	16.7	3.4	20.6	1.8	10.7	0.8	4.6	42.7
Portugal	2007	10.6	n.a	n.a	0.6	6.1	0.4	4.2	68.9
Spain	2007	44.9	n.a	n.a	6.0	13.4	5.2	11.6	72.4
Sweden	2009	8.0	1.7	21.7	1.3	16.7	0.6	7.5	45.1
England and Wales	2011	56.1	11.2	20.0	7.5	13.4	4.5	8.0	59.5

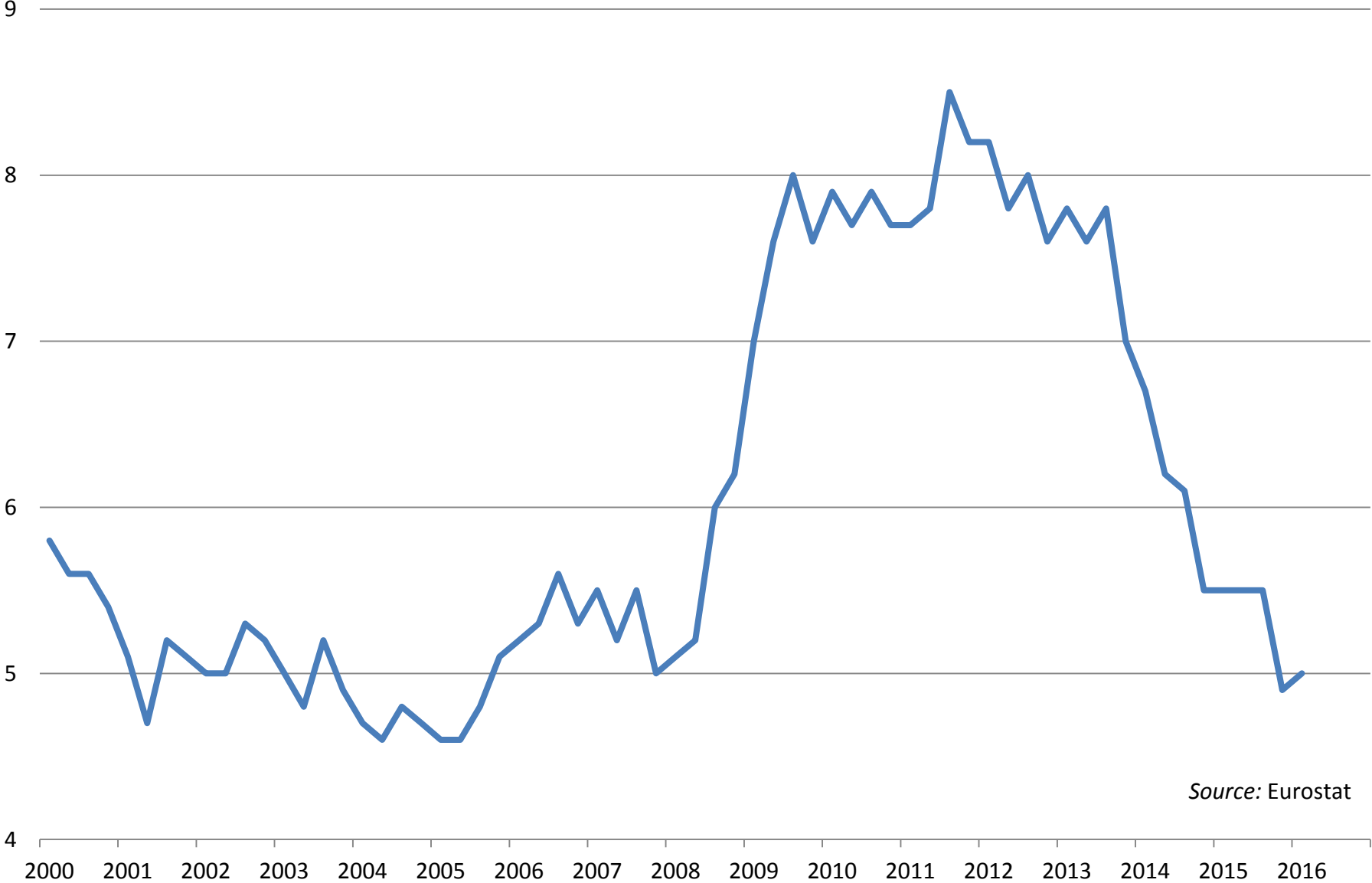
Source: Migraton Observatory, Oxford University, April 2013, Table 2

Real GDP, 2008 Q1 = 100



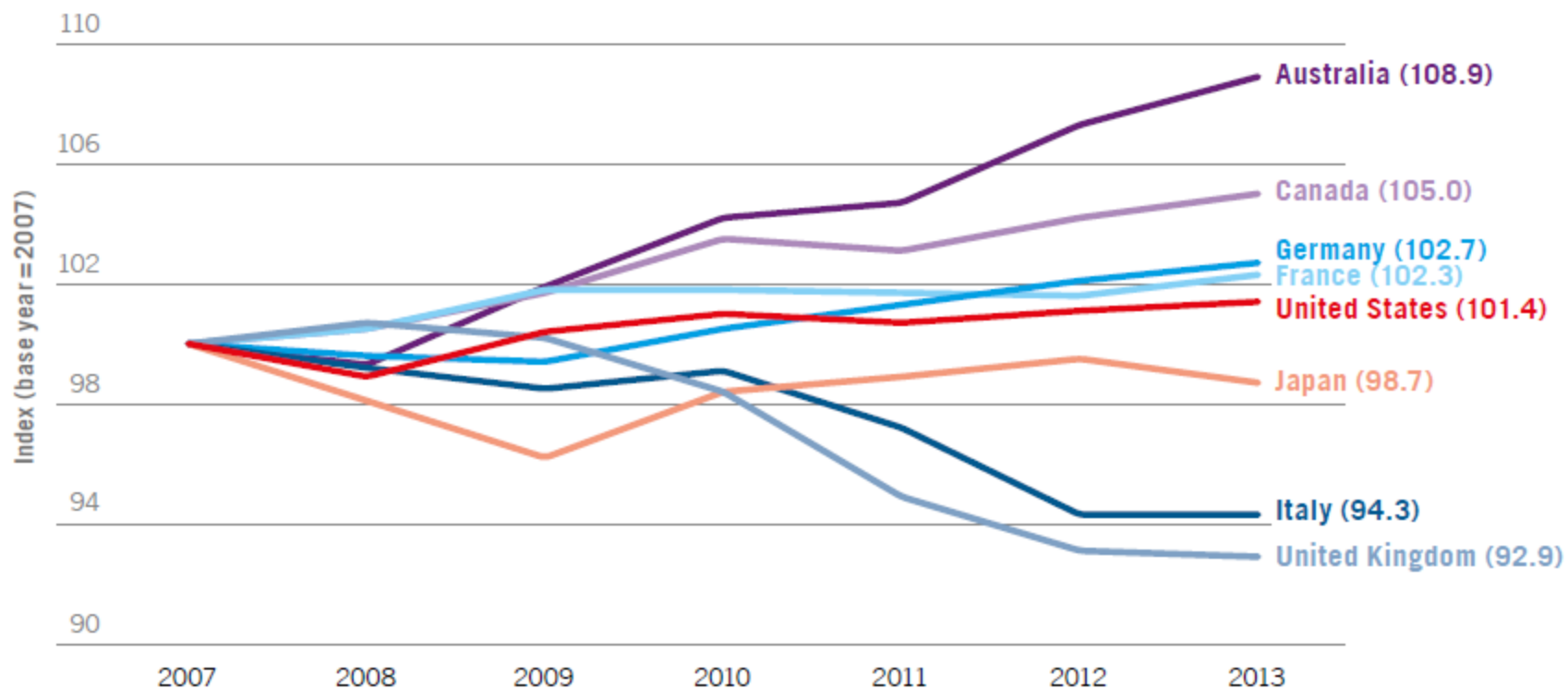
Source: Eurostat, rebased from 2010=100

UK unemployment



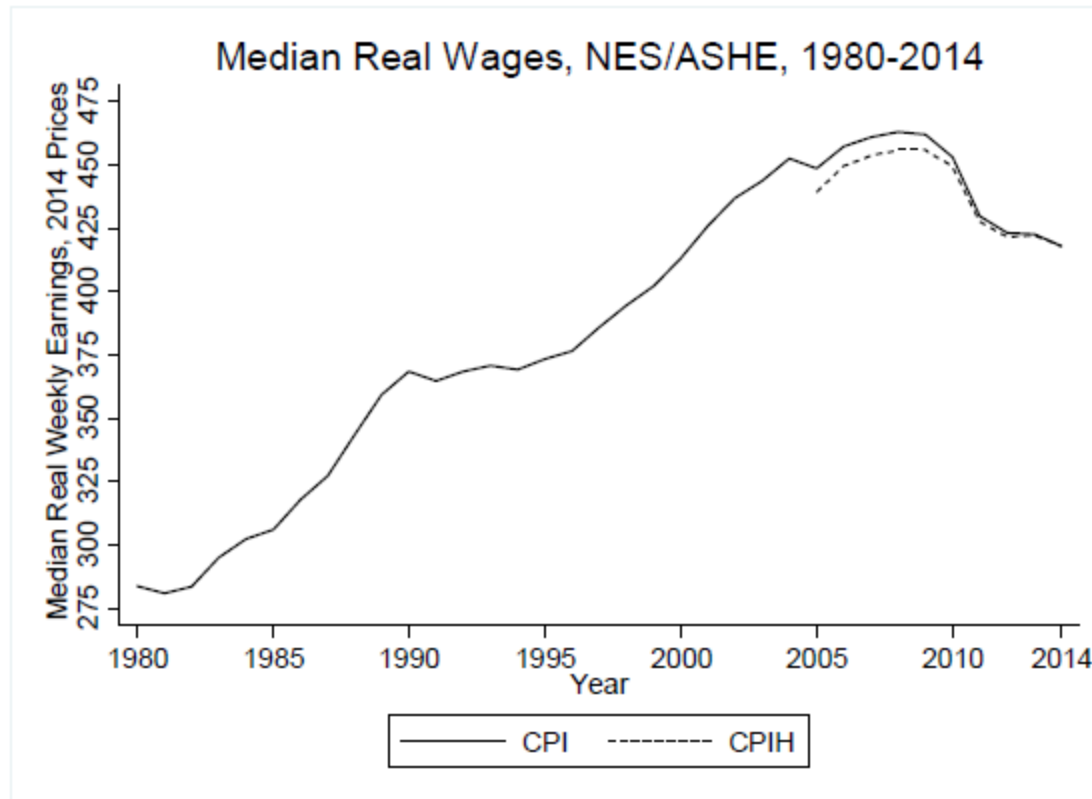
Source: Eurostat

Figure 5 Average real wage index for developed G20 countries, 2007–13



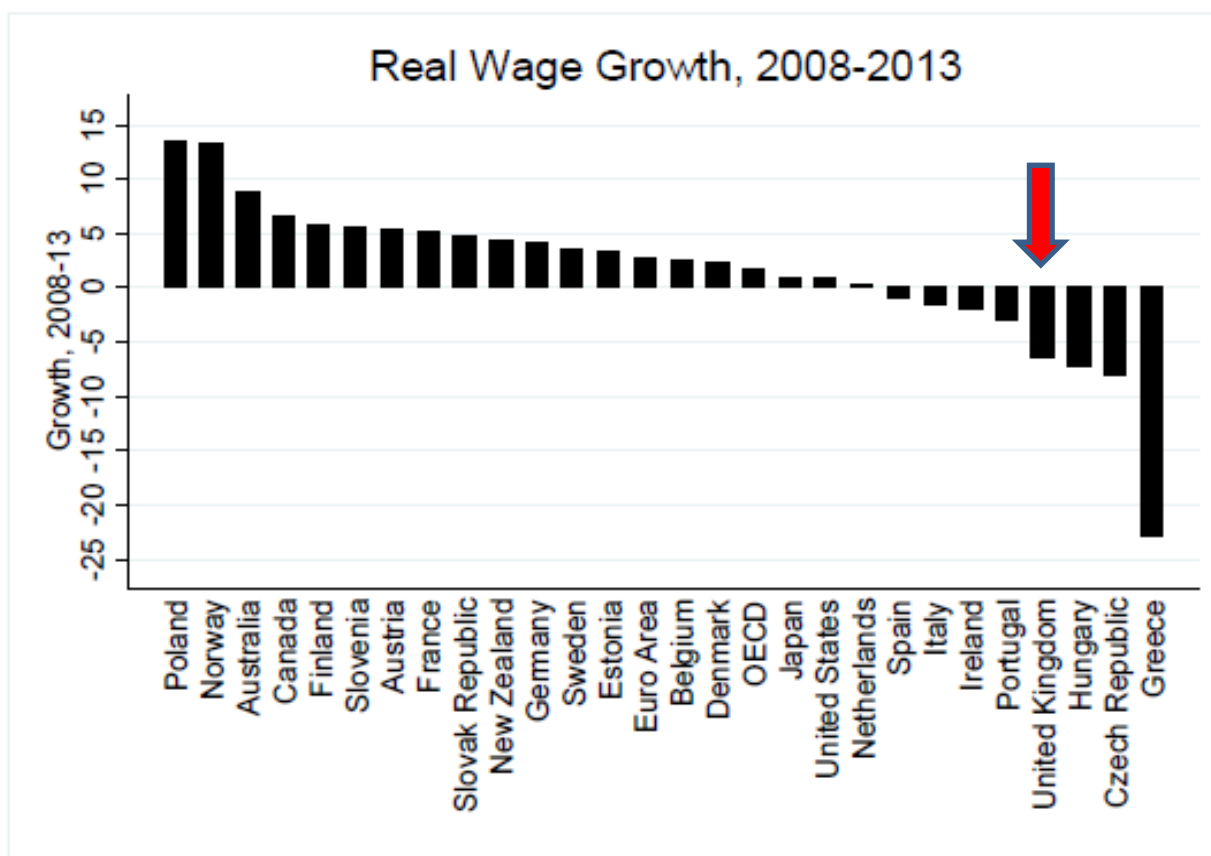
Source: ILO Global Wage Database. Data accessible at: www.ilo.org/gwr-figures

Real Wage Trends 2 – NES/ASHE Median



Notes: Annual Survey of Hours and Earnings (ASHE) weekly earnings numbers, updated from Gregg et al (2014a, 2014b), deflated by CPI and CPIH (from 2005).

Real Wage Trends 8 – Falling UK Real Wages in International Context



Real Wage Trends 5 – Percent Falls

Percent Changes in Real Weekly Wages,
2008-2014, (CPI Deflator)

Median	-10%
Male Median	-12%
Female Median	-7%
Age 18-24	-16%
Median	
10 th Percentile	-10%
90 th Percentile	-11%

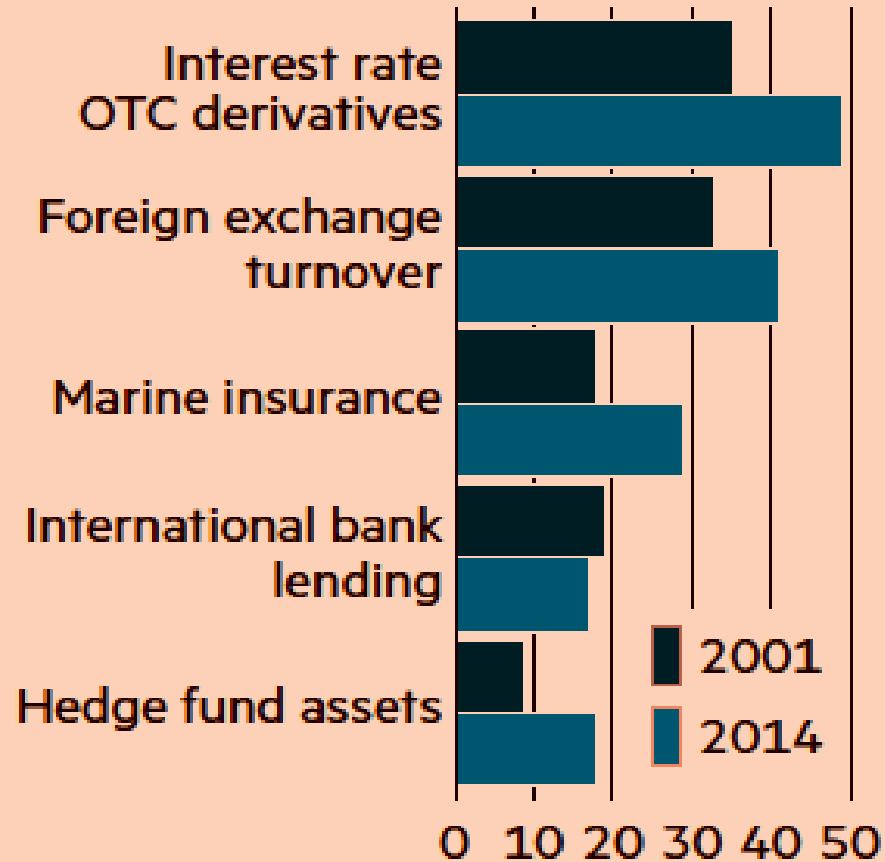
Notes: Updated CPI deflated ASHE numbers from Gregg et al (2014b).

UK Exports, 2015 (millions)

	UKL	%
EU	133,365	43.7
Germany	30,352	10.0
France	17,830	5.8
Netherlands	17,338	5.7
Irish Republic	16,665	5.5
Non EU	171,544	56.3
United States	45,276	14.8
Switzerland	22,244	7.3
China	18,071	5.9

Source: HMRC, Overseas Trade Statistics

UK share of financial markets (%)

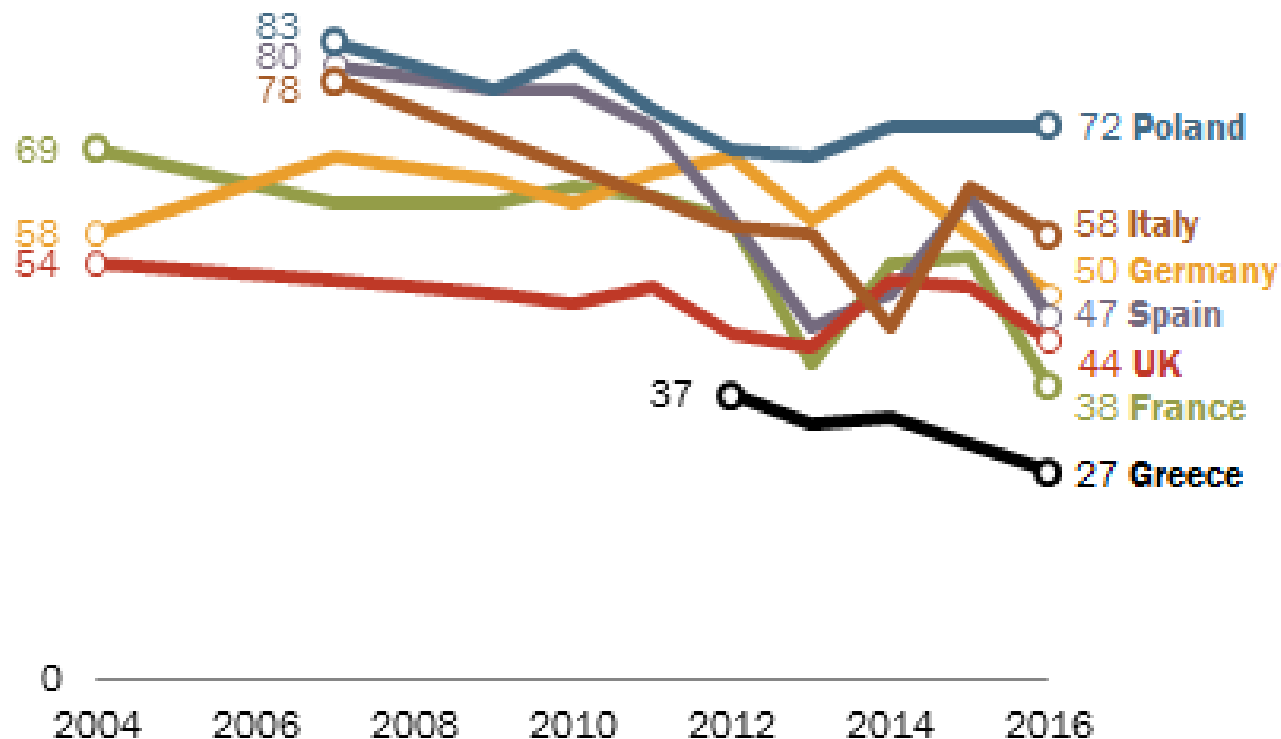


Source: TheCityUK

After short-lived rebound, views of the EU on the decline again in key European countries

Favorable view of EU

100%



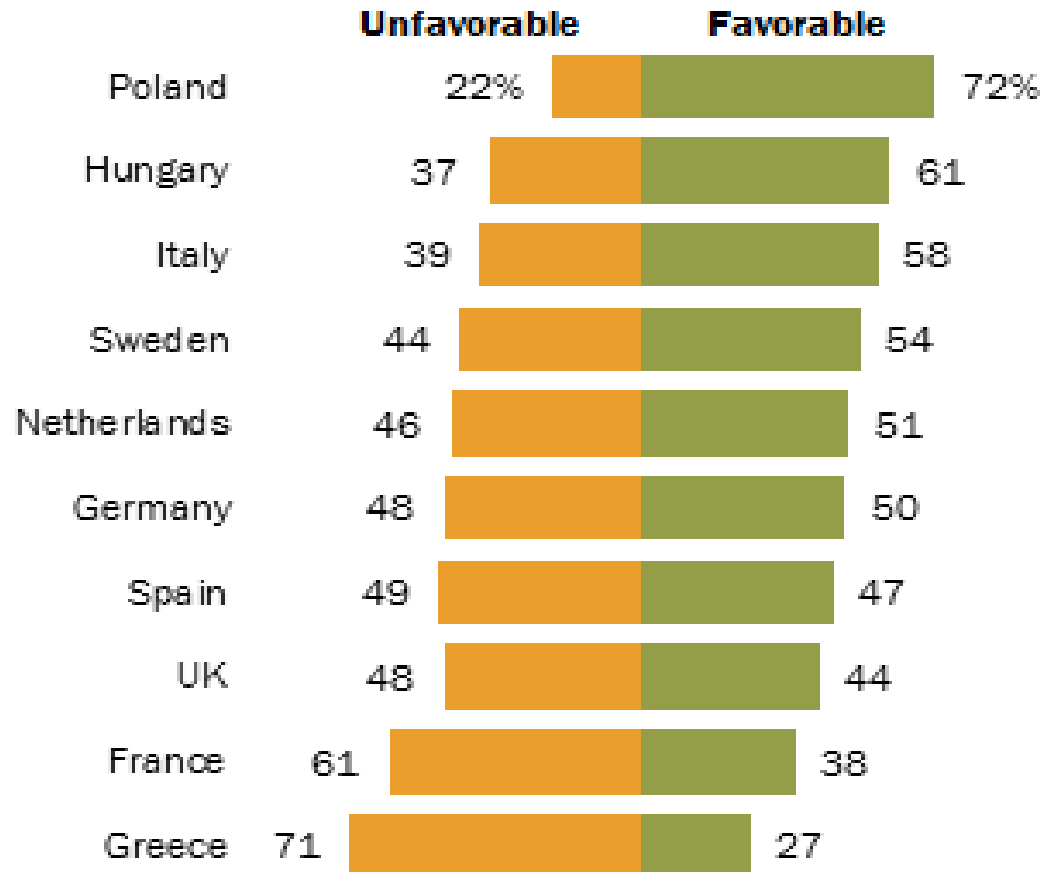
Source: Spring 2016 Global Attitudes Survey. Q10c.

"Euroskepticism Beyond Brexit"

PEW RESEARCH CENTER

EU favorability varies widely in Europe

Views of EU



Source: Spring 2016 Global Attitudes Survey, Q10c.

"Euroskepticism Beyond Brexit"

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‘Why is only Germany getting richer?’

Beppe Grillo, Five Star Movement

Cited by Anthony Giddens, Turbulent and mighty Continent, 2014

‘How must a Spaniard, Portuguese or Greek feel if he has lost his job as a result of the policy of spending cuts decided by the European Council? He cannot arraign the German cabinet ministers who got their way with this policy in Brussels: he cannot vote them in or out of office ... As long as this undemocratic and faulty structure is not got rid of you can hardly be surprised at anti-European smear campaigns.’

Jürgen Habermas, 12 July 2016