

The UK: Explaining the Inexplicable

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Director, UK in a Changing Europe

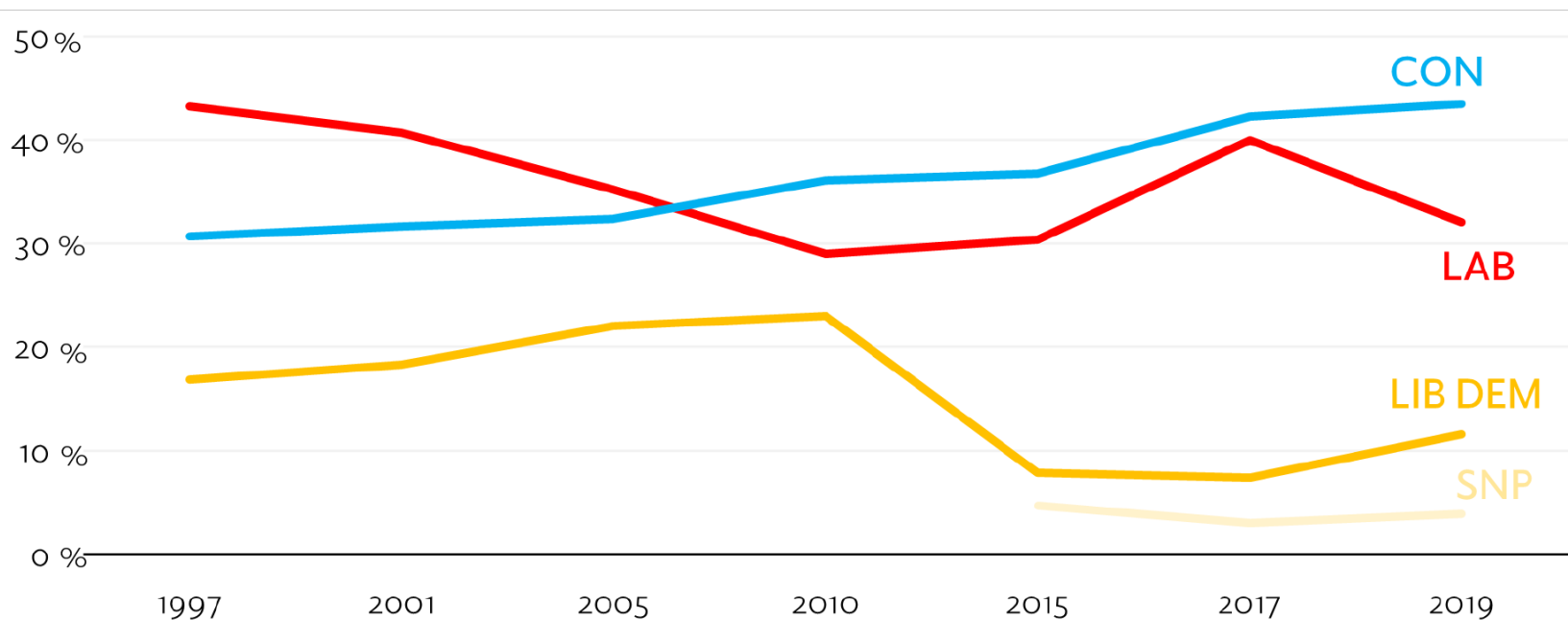
Outline

- Long term trends
 - Politics
 - Economics
- What does Brexit add to the mix?
- What might future hold?

Changes in party support since 1997

Vote share for each of the top-performing parties in every general election since 1997

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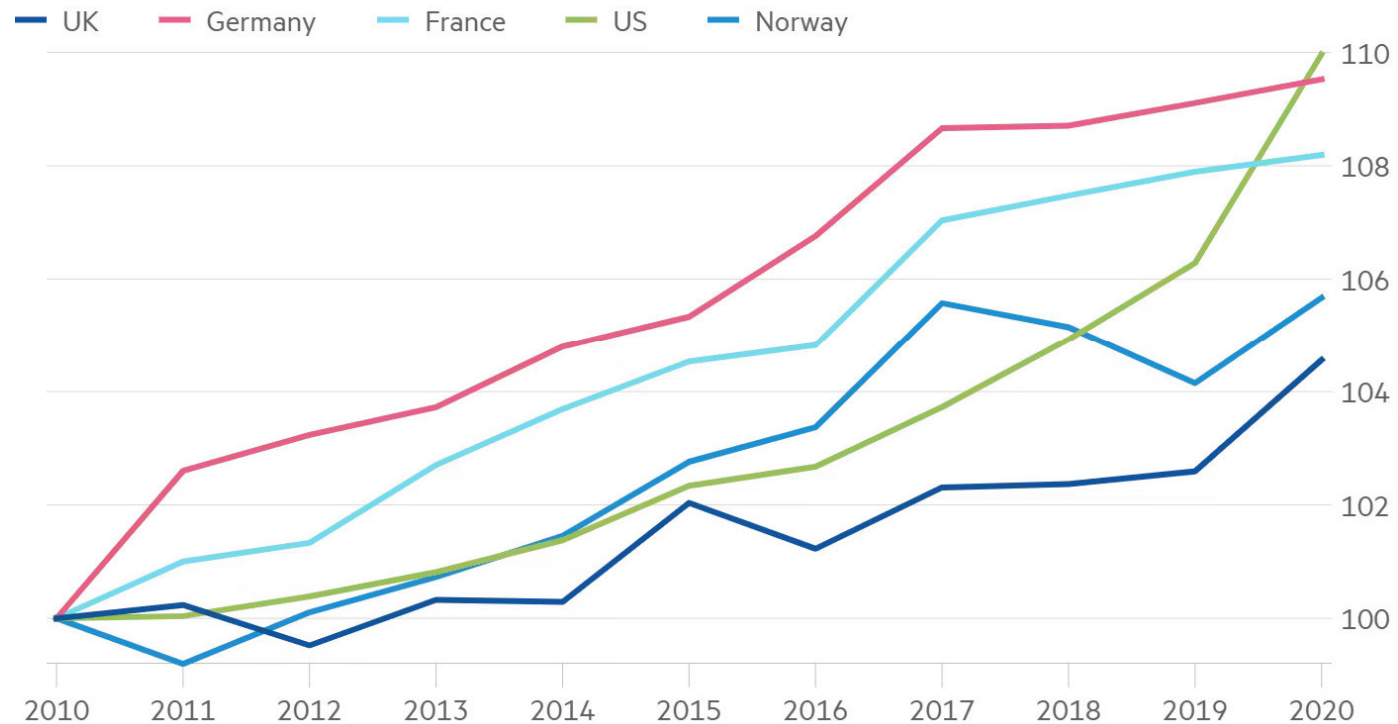


Source: The Electoral Commission

UK Productivity compared to other advanced economies

UK productivity has lagged that of its peers over the last decade

GDP per hour worked (2010 = 100)



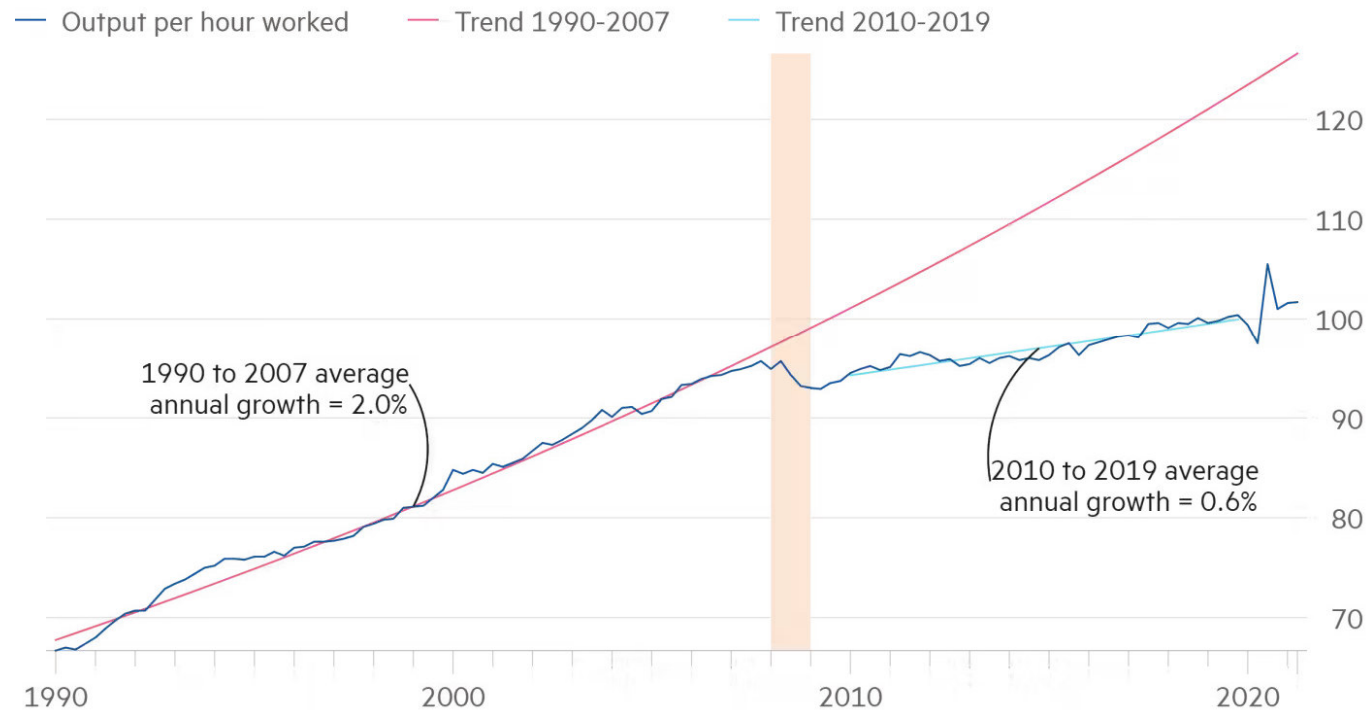
Source: OECD

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UK productivity stagnation

UK productivity growth has been dire since the financial crisis

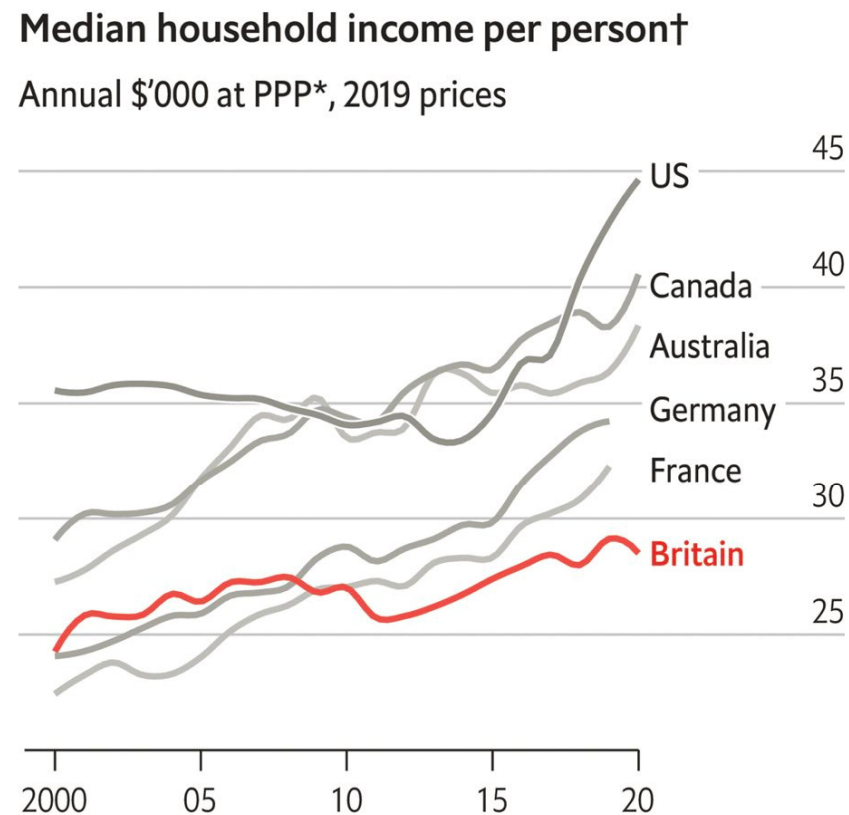
Index, 2019=100



Sources: ONS, FT calculations

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UK median pay compared to advanced economies



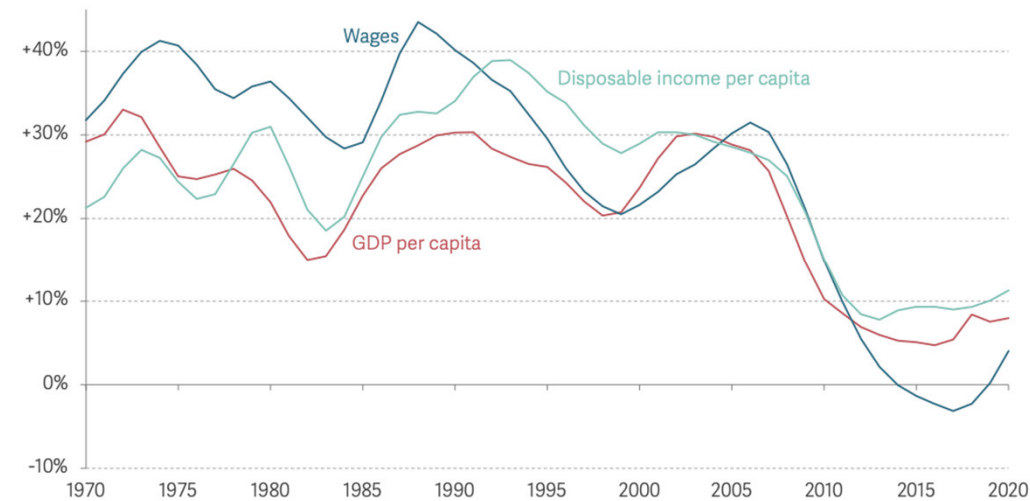
*At purchasing-power parity †After taxes and transfers

The Economist

Wage decline over the past few decades

Figure 6: Historically weak wage growth has been the defining feature of the past decade

Annualised decadal growth rates of real wages, real GDP per capita, and real disposable income per capita: GB/UK

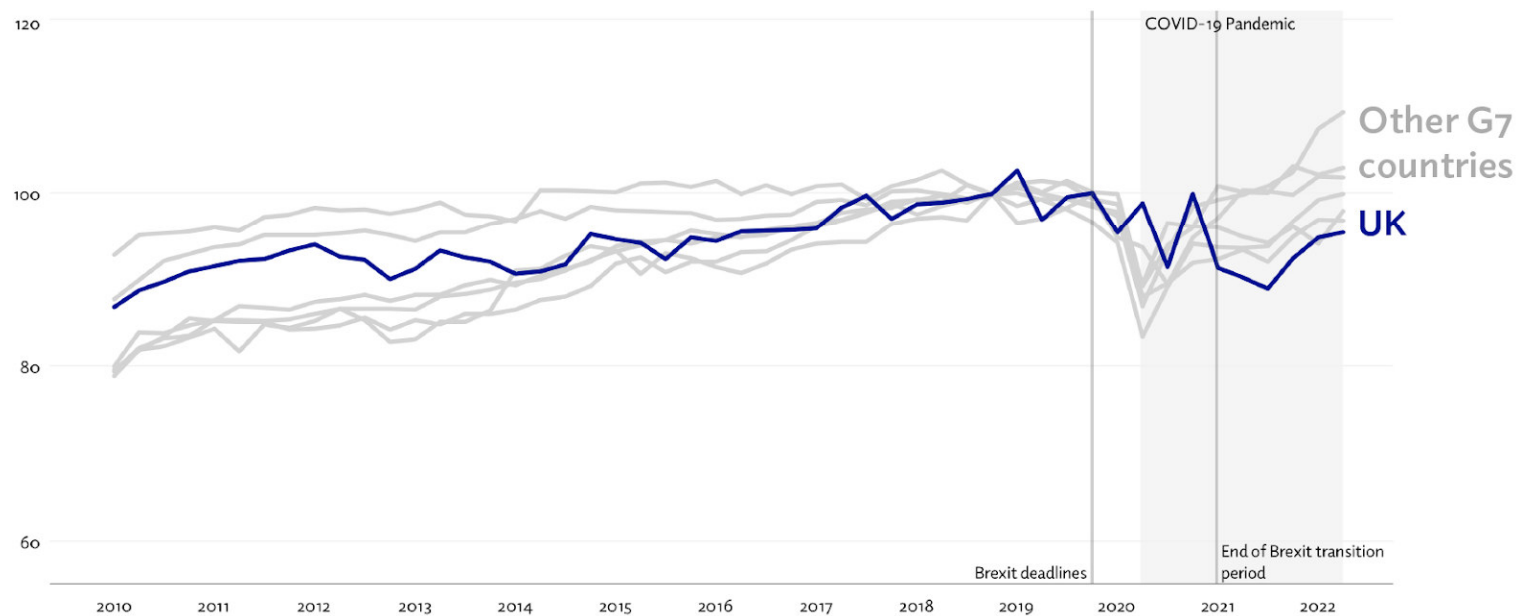


Notes: Rolling average of each variable in the three years centred on the date shown, compared to the three years centred on the date 10 years previous. For example, 2020 shows growth between 2009-2011 and 2019-2021. UK data for GDP and incomes, GB data for wages.

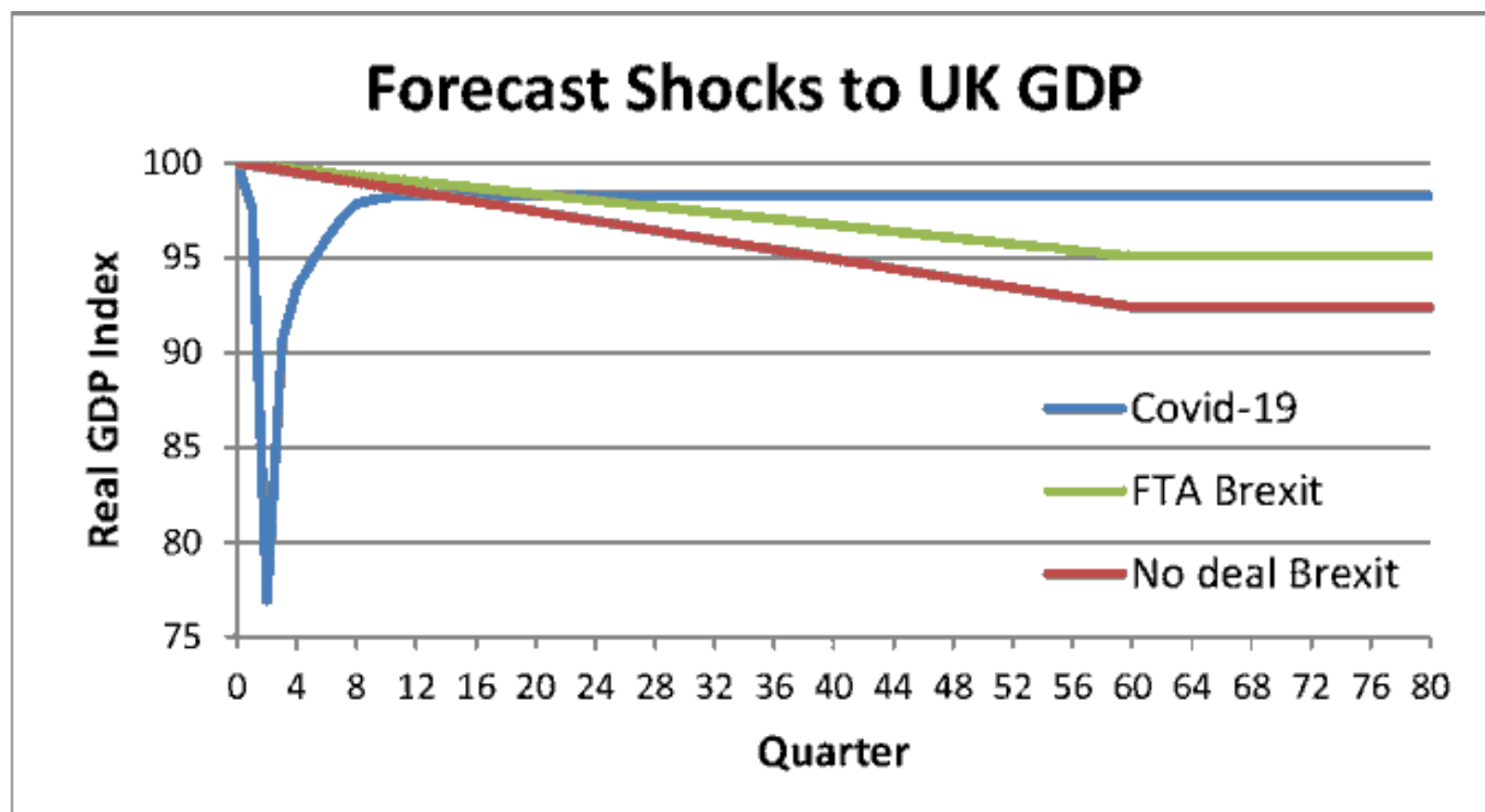
Source: Analysis of Bank of England, Millennium of Macroeconomic Data; OBR, Economic and Fiscal Outlook, March 2022; ONS, RHD; ONS, UK resident population.

Trade openness

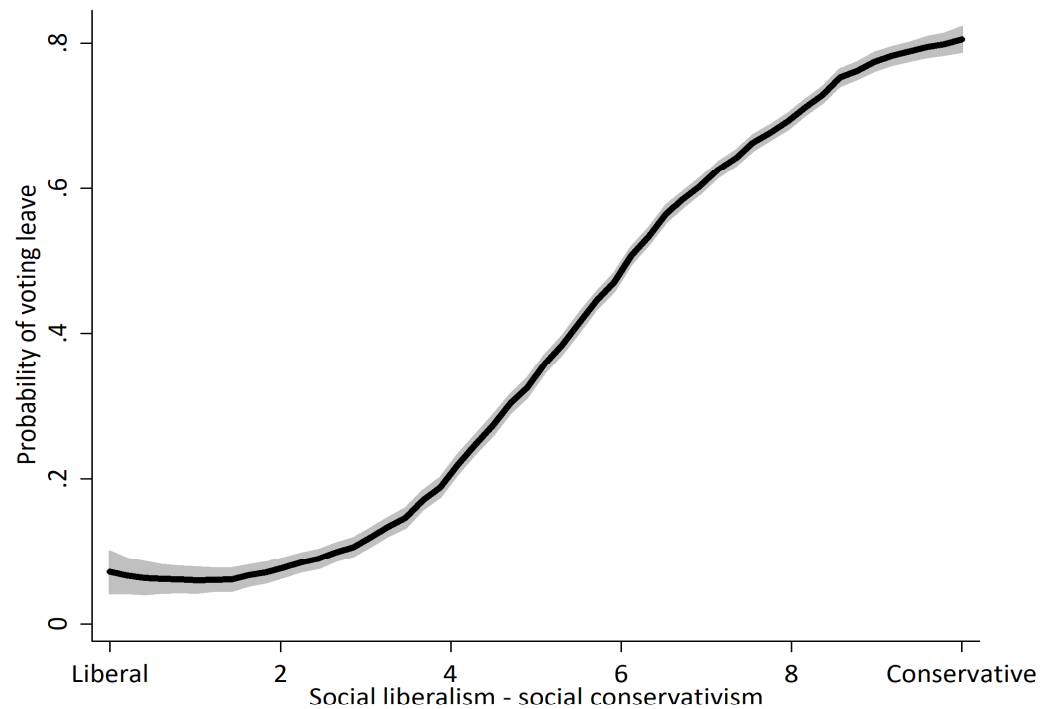
Comparing the UK and other G7 economies, Q1 2010 to Q2 2022



Source: Office of National Statistics



Social identity: the driver of Brexit



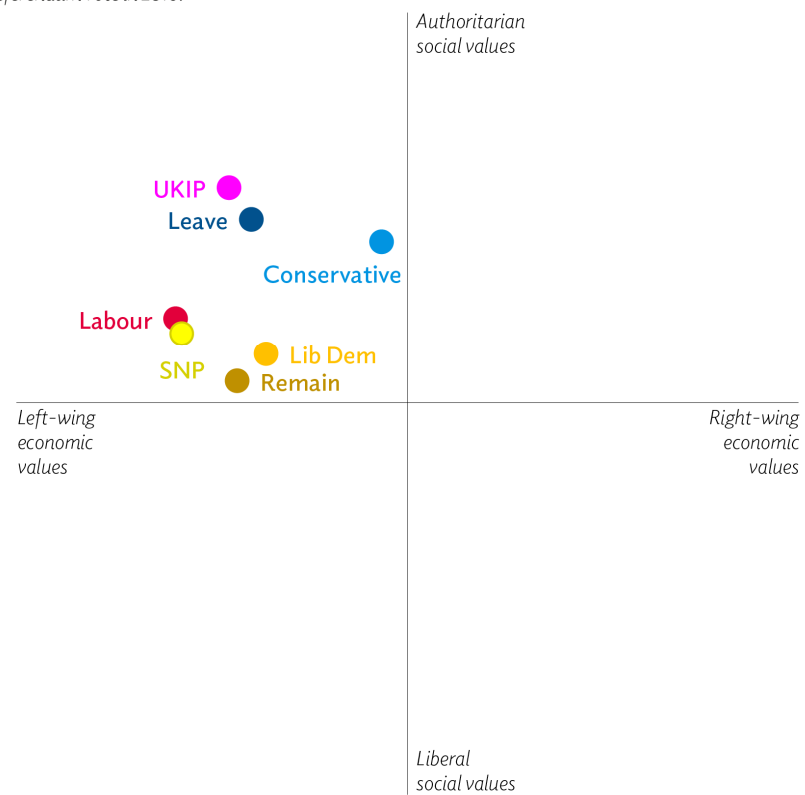
Source: British Election Study

Voter Realignment: Social vs Economic values

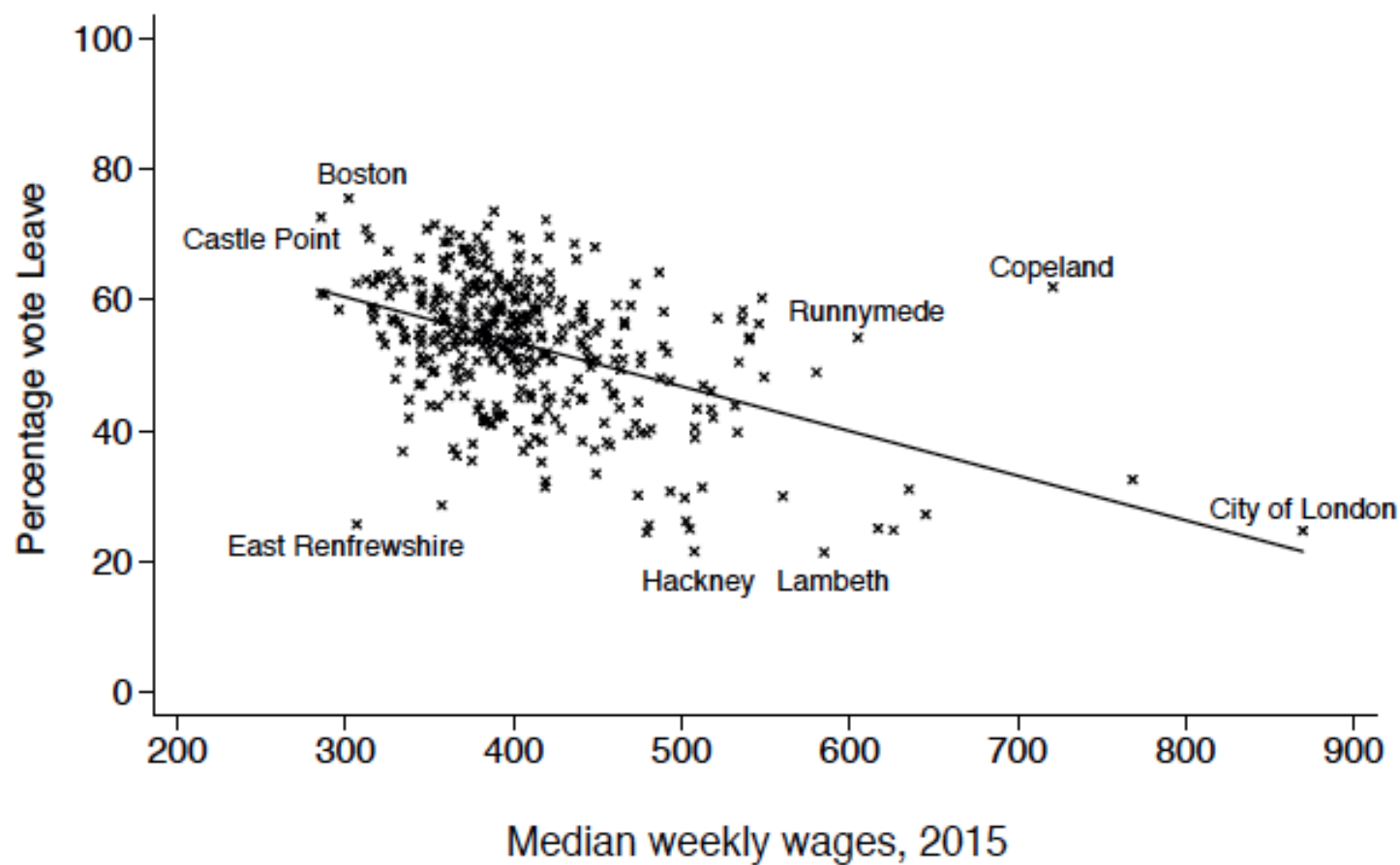
The values of leave and remain voters differ more for social issues than economic ones

Position of the average voter in the value space, by political party in 2015 and referendum vote in 2016.

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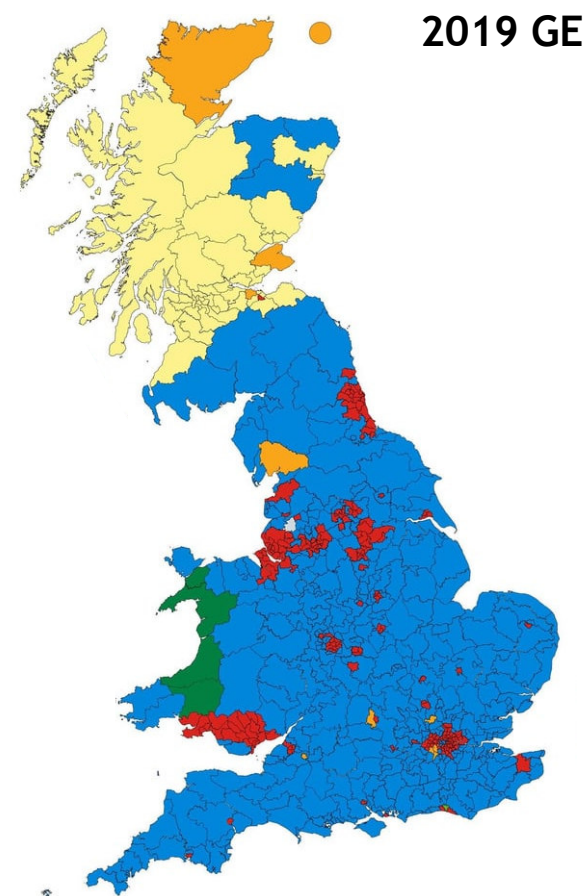
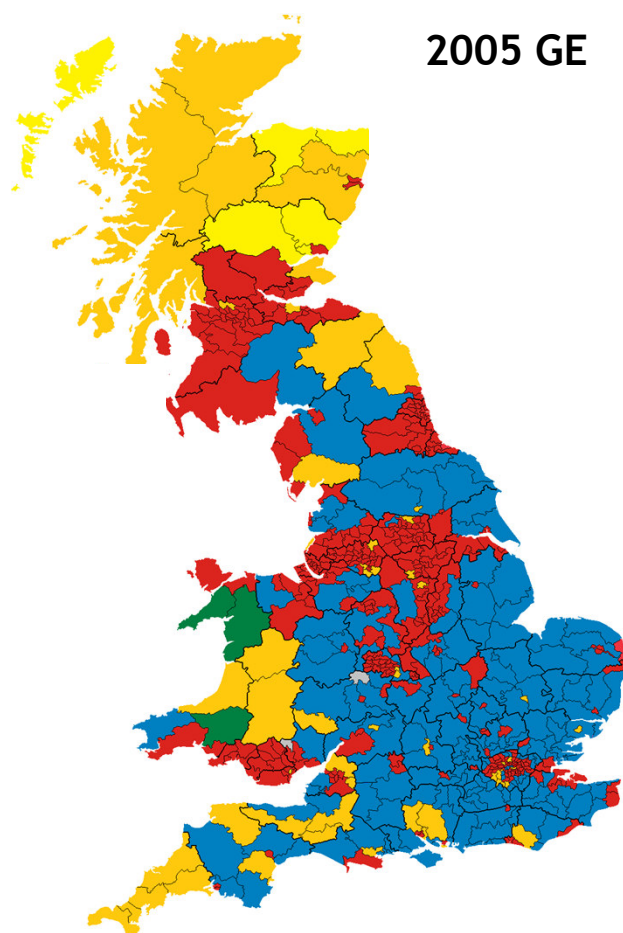


Source: British Election Study Internet Panel.



Comparing the results of the 2005 and 2019 elections

- Conservatives
- Labour
- Liberal Democrats
- SNP
- Plaid Cymru
- Independent

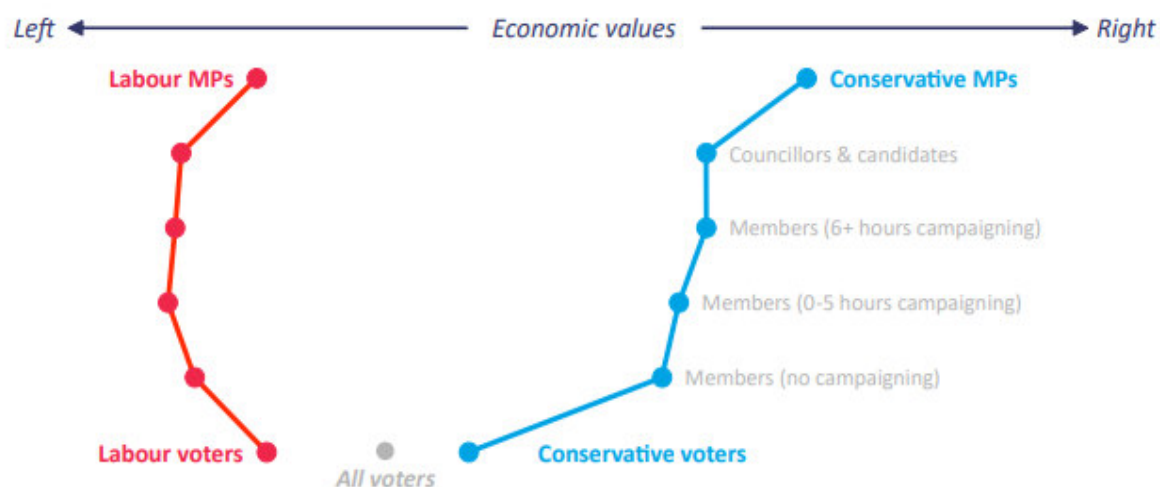


Divided parties

Figure 2: Labour MPs and voters have similar economic values, but Conservative MPs and voters do not



Economic values of Conservative and Labour MPs, councillors and candidates, members, and voters, 2020.



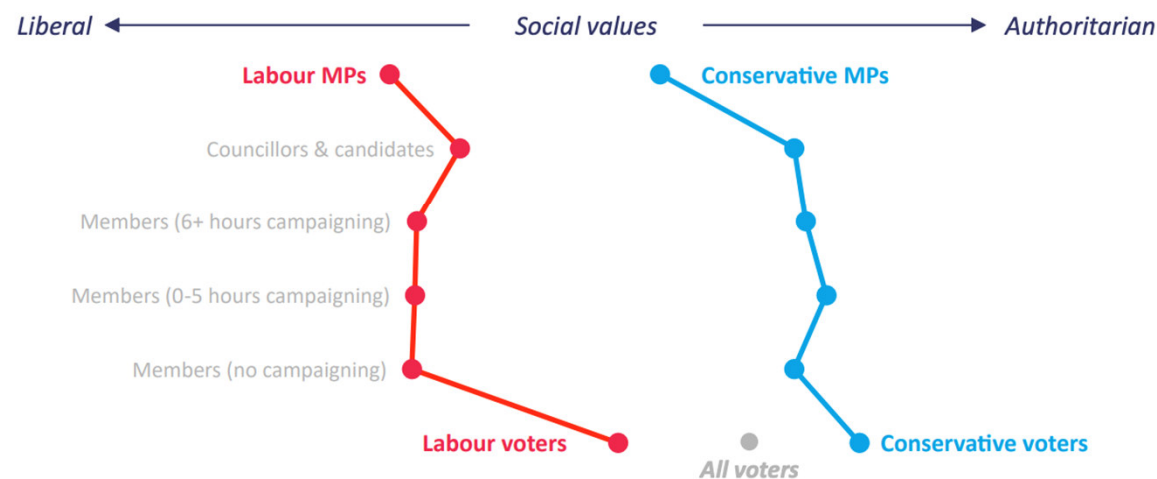
Source: ESRC Party Members Project survey, YouGov, fieldwork Dec 2019; UK in a Changing Europe MPs survey, Ipsos Mori, fieldwork Jan-Feb 2020; BES Internet Panel Wave 17, fieldwork Nov 2019, and Wave 19, fieldwork Dec 2019.

Divided parties

Figure 4: For both Labour and the Conservatives, MPs and party members are more socially liberal than their voters

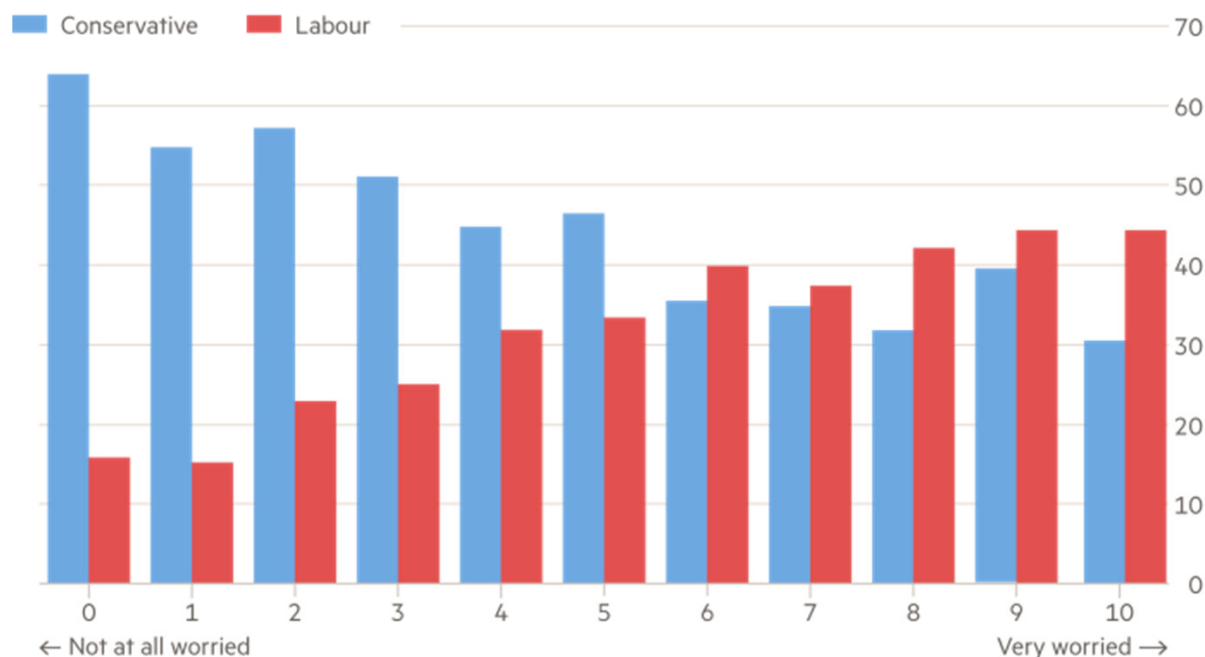


Social values of Conservative and Labour MPs, councillors and candidates, members, and voters, 2020.



Source: ESRC Party Members Project survey, YouGov, fieldwork Dec 2019; UK in a Changing Europe MPs survey, Ipsos Mori, fieldwork Jan-Feb 2020; BES Internet Panel Wave 17, fieldwork Nov 2019, and Wave 19, fieldwork Dec 2019.

Economic insecurity (how worried about personal finances) and vote choice

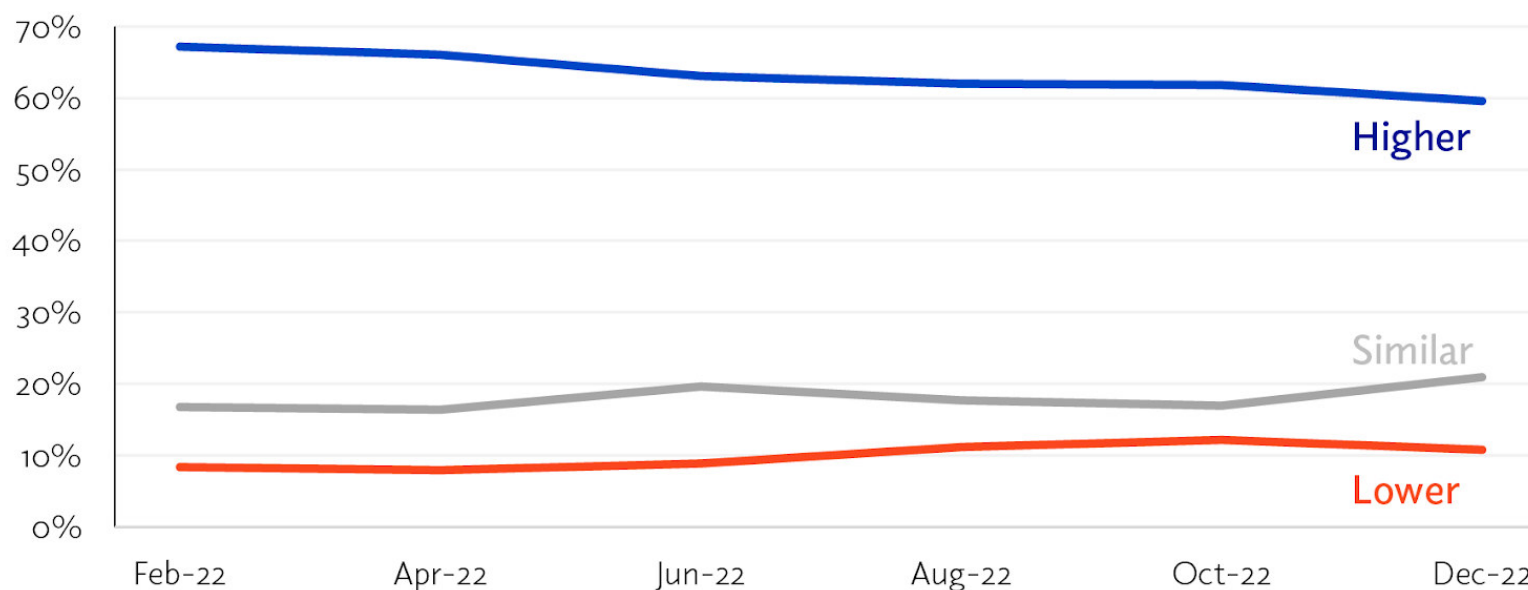


Source: Professor Jane Green from the British Election Study

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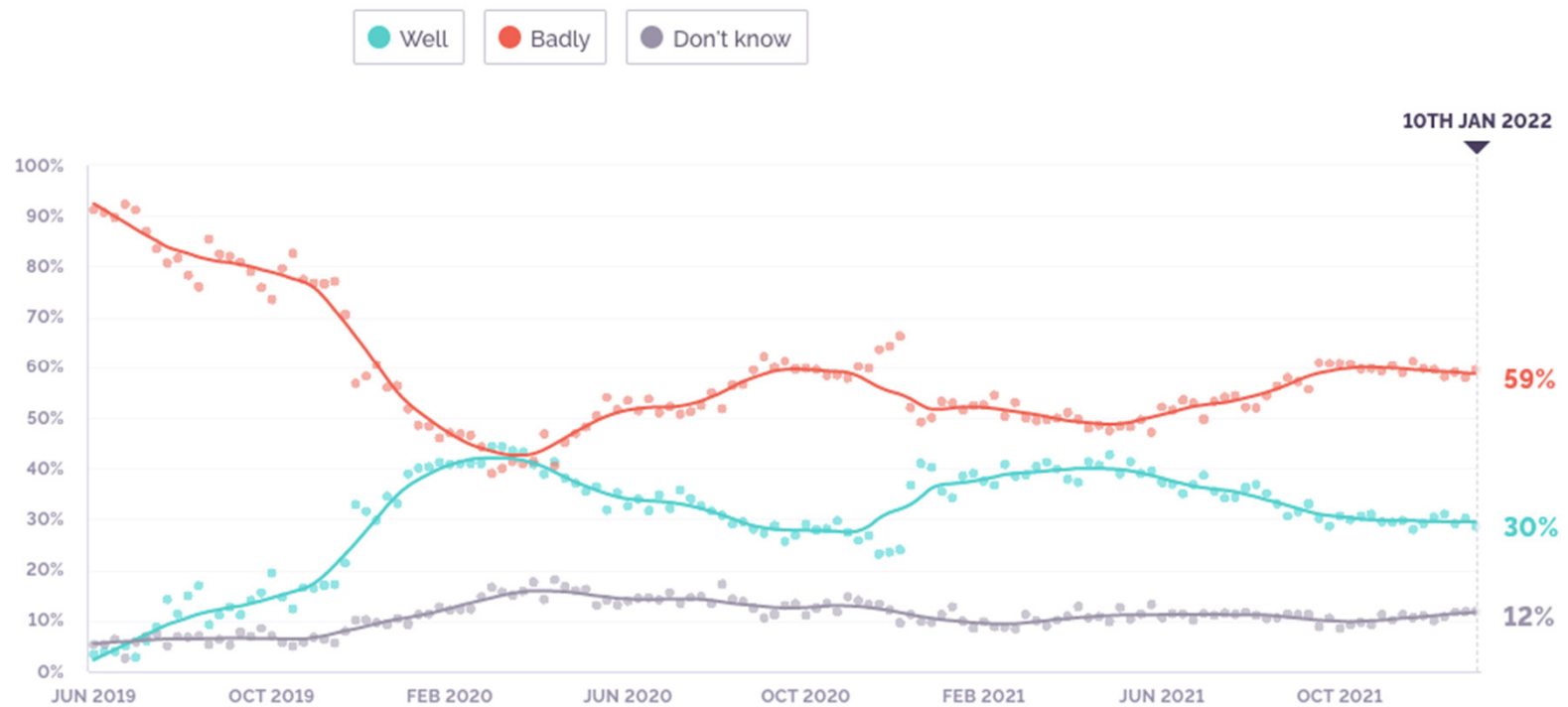
A majority of voters say that that being outside the EU has worsened the impact of the cost of living crisis

In your opinion, with the United Kingdom outside of the European Union, is the cost of living in the United Kingdom now higher, lower, or similar to what it would be?

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Source: UK in a Changing Europe and Redfield and Wilton monthly polling, February to December 2022

How well or badly do you think the government is handling Britain's exit from the EU?



Source: YouGov

