

# THE CONVERSATION



## Brexit is on: Britain votes to leave the EU – experts respond

June 24, 2016 5.48am BST

PA/Stefan Rousseau

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The Conversation UK receives funding from Hefce, Hefcw, SAGE, SFC, RCUK, The Nuffield Foundation, The Ogden Trust, The Royal Society, The Wellcome Trust, Esmée Fairbairn Foundation and The Alliance for Useful Evidence, as well as sixty five university members.

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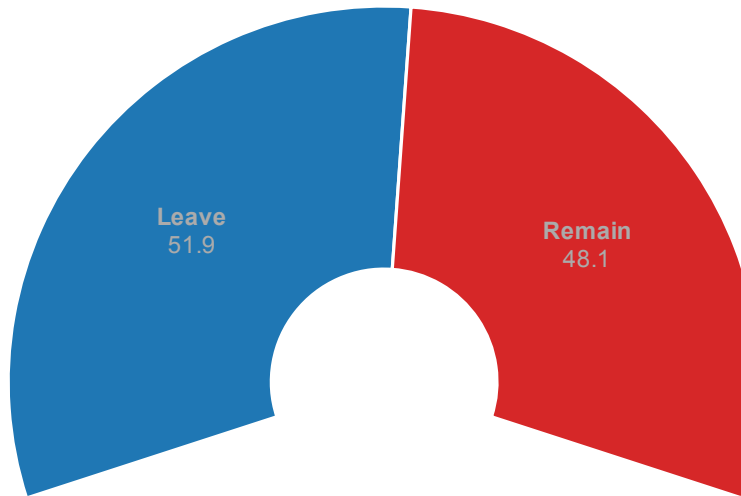
The United Kingdom has voted in a referendum to leave the European Union. It is a result which will have dramatic implications for the future of the global economy, international relations and the European continent. The UK Prime Minister, David Cameron, has given notice of his intention to resign. Here, leading experts offering explanations and opinions on what is an unprecedented geopolitical and economic situation. This article will update through the day.

**Andrew Scott Crines, British politics lecturer, University of Liverpool**

Now is the moment of truth for the Brexiters. They promised the world, and now must deliver. The voters were convinced that leaving the European Union is the best thing to do, entirely against the advice of numerous experts.

## Britain votes for Brexit: the results

% based on results of 382 authorities



17.4m votes for Leave; 16.1m votes for Remain

Source: [BBC](#) [Get the data](#)

David Cameron has given notice of his intention to resign. He called the unnecessary referendum in the first place in order to deal with the apparent threat of UKIP; the Chancellor, George Osborne, will also likely leave his position; and opposition leader Jeremy Corbyn will face questions over his lack of enthusiasm during the campaign.

Indeed, Corbyn's occasional comments that appeared to support leaving have led to suggestions of sabotage of the Remain campaign. Corbyn's failure to speak to Labour voters in the North East will also cast a huge shadow over his leadership.

The winners, Michael Gove and Boris Johnson will no doubt be basking in their success, however they should be cautious about inheriting a chaotic political, economic, and constitutional situation. Indeed, the pound is going through the floor, and the SNP and Sinn Fein are talking about referendums in Scotland and Northern Ireland, given they voted to remain in the EU.

At this point, British Politics is a mess. But, at the end of the day, the people voted for this. They believed the arguments of the Brexiters. Now it is up to the Leavers to provide the answers to the problems they have created.



Time for the Brexiters to deliver. PA/Stefan Rousseau

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### **Roger Scully, professor of political science, Cardiff University**

David Cameron's decision to resign was inevitable. It was the only realistic choice for him, since this referendum was so closely tied to him personally. He is a shrewd enough politician to see the writing on the wall.

The three-month delay was perhaps also inevitable too, since the Conservative Party leadership election process requires this sort of timeframe. Boris Johnson now looks like the overwhelming favourite for the job. The question is whether anyone will stand against him. The likes of Theresa May might not be willing to risk the humiliation.

Some people were criticising the performance of the pollsters, but they got the relative positions of the different parts of Britain absolutely right. Wales voted to leave but was marginally more pro-remain than England. This is not that surprising, since Leave has been getting its vote out across England and Wales.

It's interesting, though, to see how many high profile politicians in Wales have seen their constituencies vote in the opposite direction to what they hoped, from Leanne Wood to Stephen Crabb. That's a general message that a lot of politicians are probably concerned about today. Welsh Labour should be particularly worried; most of its heartland voted to leave.

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### **Peter Taylor-Gooby, professor of social policy, University of Kent**

What should EU immigrants in the UK do now? We're told the 1979 UN Vienna convention will protect the current rights of those already in the country but that is unclear. The convention protects the position of governments under agreements, not individuals, and is not ratified by France.

Those wishing to come to the UK in the future can expect to see a skills-based points system imposed. For skilled workers, seeking better job opportunities than elsewhere, it's worth considering that immigration has contributed to UK growth and this impetus may now be weakened. The economy continues to grow, but slowly. The government has failed to meet the targets it set for deficit reduction, and this can't all be blamed on uncertainty about the referendum result. The UK might not be so attractive for skilled workers indefinitely.

For those attracted by the UK's culture and politics, the debate has unleashed much unpleasantness and lowered the threshold for what people feel it's acceptable to say in public. The campaign has turned on economic arguments about personal advantage and often on an ill-concealed dislike of foreigners. The strengths of Europe in relation to human, workplace and family rights and the benefits of diversity get very little mention. The debate hasn't changed UK politics but it's brought out some of the nastiness in our political life –

something that potential immigrants might want to consider.



The news sinks in for Remain campaigners. Rob Stothard / PA Wire

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### **Paul Cairney, professor of politics and public policy, University of Stirling**

The truth is we don't know what will happen in Scotland following the Brexit referendum, even though it is tempting to say that Scottish independence now seems inevitable. And, dare I say it, this is possibly the worst time – immediately after an emotionally draining campaign and result – in which to deliberate and come to a decision.

Certainly the UK vote provides the only plausible trigger in the short term to have a second referendum on Scottish independence. SNP leader Nicola Sturgeon has long argued that if most voters in Scotland vote to remain while most voters in the UK vote to leave, her party would demand one. At the time of writing, this case couldn't seem symbolically stronger: the vote to leave is 52% across the UK but in Scotland 62% voted Remain.

Yet it is too soon to tell if this result will prompt a major and sustained upswing in support for independence. This is partly because it is also too soon to predict Scotland's place in EU negotiations. The second referendum story requires a heroic and cosmopolitan Scotland fighting to leave the parochial UK to remain in the EU. We first need to know Scotland's likely status in the EU before we can identify the heroes and villains of our next story.

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### **Bill Durodie, professor and chair of international relations, University of Bath**

This is a triumph for British freedom and self-determination. The decision comes despite most predictions and the use of a politics of fear over more than 20 years on issues from health and the environment to child safety and international security.

The European Union as it was came into existence when the Cold War ended. Leaders the world over feared the uncertain consequences of the demise of the old politics of left and right. Avoiding risk rapidly became their new organising framework in a period devoid of other guiding principles. Their foremost – though rarely stated – fear was always that of their own people.

The European Union now stands discredited with an uncertain future. Other electorates will surely take their lead from the UK and demand their own referendums to leave too.

Of course, much remains to be done in the period ahead. This is only a first step. But it will lead to many other debates. It is those who do not fear change to whom the future belongs.

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### **Simon Usherwood, senior lecturer in politics, University of Surrey**

The UK is far from alone in harbouring people who want to change the direction and nature of the EU. Populists across the continent have seen the EU as both a symbol and a direct cause of what ails their countries.

The ultimate success of the long-running British campaign to secure exit will have **given succour to counterparts elsewhere** to continue and redouble their efforts. But this does not necessarily mean others will follow Britain out of the EU.

For one thing, the shock of the British vote is likely to concentrate a lot of minds. No longer merely an irritant, euroscepticism is now a clear and present threat to the union's future development. That means ignoring or trivialising the problem looks less and less viable as a strategy.

The British case is also likely to demonstrate the costs of exit. If the predicted economic costs begin to be felt, this might well give eurosceptics elsewhere second thoughts. This will only be strengthened by the likely desire of governments to offer the UK a less-than-generous deal, precisely so as to head off domestic demands.

For now, though, there is a scalp that eurosceptics from all countries can claim in support of their cause. They will now be looking for their next one.

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## The economy

**Andre Spicer, professor of organisational behaviour, Cass Business School, City University London**

Sterling has fallen to a 35-year low and share prices have taken a hit. Stocks in Asia have plummeted and the UK and US stock futures are tanking, signalling a rough day ahead. According to one projection, a vote to leave will have an even greater impact on other European share markets – with Germany **taking the greatest hit**.

All these changes are likely to create extremely unpredictable shifts on global markets. Such major economic changes can interact in strange and unpredictable ways. If we are lucky, it will work its way through the global economic system and Brexiters claim markets will soon adjust to this new normal. But this is magical thinking. Brexit has opened up a Pandora's box of uncertainty. It is likely to take months if not years to work through it.

But there is a greater danger that falls triggered by Brexit will connect with other underlying economic problems. Brexit may also uncover economic issues which had previously been overlooked. If this happens, Brexit will change from a localised crisis to something more profound.

The question will now become what governments can do to ensure that this does not turn into a full blown economic crisis. When economic crises hit, central banks can lower interest rates to stimulate the economy. As interest rates are already at a record low, the Bank of England has little room to move. More quantitative easing may be in order.



Markets are down. EPA/Dan Himbrechts

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### **David Spencer, professor of economics and political economy, University of Leeds**

The repercussions of Brexit will be seismic – turmoil, followed by uncertainty. Things are never going to be the same again.

In the short term, a sliding pound will add to inflationary pressures, pushing down real wages. Any boost to exports from a lower-valued pound will depend on likely trade renegotiations with the EU.

The uncertainty surrounding the UK's exit from the EU will have a depressing effect on investment, both domestic and foreign, and will inhibit growth. Recession remains a real possibility. This would be in line with the prediction of the majority of economists.

The reaction of the Bank of England will be important. It will face pressure to raise interest rates due to the inflationary threat from Brexit. Any rate rise would put further downward pressure on the economy.

The government's stance will also be crucial. George Osborne, the chancellor of the exchequer, talked about an emergency budget in the event of Brexit. This would be the wrong course of action; more austerity at this stage will simply depress the economy and impose greater hardship on UK citizens. Osborne would do better to abandon his surplus target and to loosen fiscal policy. The task for the Labour Party is to promote an alternative (anti-austerity) economic policy that addresses the challenges of a post-Brexit economy.

One important message from the EU referendum is that a majority of the British electorate believe that economic policy and the economy is not delivering for them. Sadly, Brexit is not going to address people's real concerns; instead, it is going to mean more hardship and pain.

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### **Swati Dhingra, lecturer in economic, LSE**

We can expect three months of uncertainty while the political fallout settles down. Brexit supporters within the Tory party should spell out the options they are considering in terms of our future economic relationship with the EU.

A Norwegian model would contain the losses from reduced trade and investment over time. A Swiss model can be something to work towards for an *a la carte* deal, but it's unlikely to happen quickly. The short-term and medium-term uncertainty would be reduced if the politicians clearly articulate what the aims and potential plans for renegotiation and interim arrangements with the EU and other trade partners would be.

**Richard Murphy, professor of practice in international political economy, City University London**

The UK's vote to leave the EU takes the country into unknown political territory.

An election has been won by people who, it is already obvious, have no plan on how to deal with the situation they have created. What is now apparent is that the Brexit camp is demanding that a government committed to Remain must deliver Leave.

Markets are therefore right to react sharply. What they dislike most of all is uncertainty and that is the one thing we can now be sure that we have.

That immediate market reaction could just be speculative, but I doubt that. The fundamental uncertainty will flow through into a significant decline in investment, which will inevitably lead to recession.

The decline in the value of sterling should logically lead to an interest rate rise but that would tip many UK households, and in turn many UK banks, into financial crisis. Preventing this will require massive injection of funding from the Bank of England but not for investment, but just to keep banks afloat.

At the same time tax yields will fall, inevitably. Balanced budgets are now an impossibility.

The result will be political turmoil.

Economically, Brexit can for the time being only suggest massive financial stress is coming the UK's way. And no one, anywhere, will be wanting to offer us any help in solving it because we've just turned our back on the world.



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