



DEPARTEMENT OF POLITICAL
SCIENCE

EXPLAINING ECONOMIC BREXIT IN SCOTLAND AND WALES

A comparative quantitative study between two
devolved nations

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Essay/Thesis:	15 credit points
Program and/or course:	Bachelor's Programme in European Studies with a focus on political science
Level:	First Cycle
Semester/year:	Autumn 2017
Supervisor:	Annika Fréden
Examiner:	
Report no:	

Abstract

The Brexit-vote shook both the United Kingdom and the rest of the European Union as UK is the first country that has ever voted to leave the EU. It is thus important to understand on what grounds the people have cast their vote. Previous research has mainly been focusing on the UK as a whole, or on England specifically, and has thus left a gap in the literature not explaining the vote in the different devolved nations. This thesis therefore aims to understand why Scotland and Wales, which in many regards are similar, voted differently in the referendum on UK membership in the EU, as a majority in Wales voted to leave the EU while a larger majority in Scotland voted to remain. While previous studies have shown socio-economic factors to matter, this thesis aims to explain that economic evaluations in the EU, both national and personal, have a decisive power in citizens choice of voting leave/remain. This argument will be supported by using a logistic regression model, which will further reveal that the economic argument interacted differently with nationality factors in Scotland and Wales.

Key words: *Brexit, Scotland, Wales, European integration, economic evaluations, personal economy, national economy*

Nyckelord: *Brexit, Skottland, Wales, europeisk integration, ekonomisk utvärdering, personlig ekonomi, nationell ekonomi*

The Title: Explaining Economic Brexit in Scotland and Wales: A comparative quantitative study between two devolved nations

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Semester: Autumn 2017

Program: Bachelor's Programme in European Studies with a focus on political science

Word count: 12 830

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1. Introduction

On the 23rd of June 2016, the British government held a historical referendum on the subject to vote on the country's membership of the EU. The question '*Should the United Kingdom remain a member of the European Union or leave the European Union?*' was asked to the people (GOV UK, June 2016). The general outcome of the vote shook both the nation and the rest of Europe as 52% of the population in the United Kingdom (UK) had voted in favour to leave the union (BCC News, June 2016a), and will probably be the first country to ever do so.

However, there is another important question in the light of the result which is the very divided outcome of the vote in the different regions of the UK. Scotland and Northern Ireland voted to remain with 62% respectively 55,8% while both England with 53,4% and Wales with 52,5% voted to leave (BBC News, June 2016a). It is important to understand the whole Brexit vote in the context of UK's negotiations with the EU due to the different regional interests to take into account, as well as understanding on what basis the people has voted to be the first country to ever leave the EU, as it further highlights questions of the very existence of the EU and its nature (e.g. Laffan, 2016), which is why it is important to understand the underlying causes of the vote.

This thesis will look at the two devolved nations Scotland and Wales, since studies on these specific cases have not yet been done in the context of Brexit. It is interesting to look at these two nations as they have both similarities and differences. They both position some autonomous power in the UK, have distinguished national identities, and have a majority of left-parties in power who are openly supportive of the nation's continued membership in the EU. In addition, Wales has received a lot of EU funding, more so than Scotland, which research would suggest would make the citizens more likely to support the EU. Despite this, Welsh citizens in a majority voted to leave the EU in the referendum whereas Scotland with a large majority voted to remain. It is interesting to investigate in why the vote outcomes were so different – it varied by almost 10 percentage points – despite what is known and would be expected.

Previous research on Brexit has explained that it is largely socio-economic factors such as age, gender, level of education and type of profession that determined the vote outcome in Brexit (e.g. Hobolt, 2016, Goodwin and Heath, 2016). This thesis will take an alternative

approach and test if voters' perceptions of the economic situation in the EU would help explain the Brexit-vote. This could be a plausible explanation since one of the main arguments in the campaign leading up to the referendum was precisely the role of the economy (The Independent, June 2016, The Guardian, June 2017). The economic argument is based on previous research on economic voting and support for European integration which has put forth citizens evaluation of the economic prospects both personally and nationally, and will here be extended to evaluations of the EU in the UK referendum on EU membership (Downs, 1957, Eichenberg and Dalton, 1993, Gabel and Palmer, 1995, Palmer, 1998, Eichenberg and Dalton, 2007).

What this thesis aims to do is addressing the gap there is in the existing literature on Brexit, namely the lack of looking at, and comparing the devolved nations and offer an explanation to the different vote outcome in these countries. Further, it will give a complimentary explanation to the existing literature on Brexit by offering the argument that evaluations of the economy, both personal and national, matter in the vote choice. This argument could also be extended to explain that economic evaluations play a role in referendums on European integration. The argument will be tested in Scotland and Wales by using individual data from the Wave 13 of the *British Election Study Internet Panel*, and the results will be presented in a logistic regression model where variables that have already been proven to matter in the referendum will be included.

1.2 Disposition

First presented will be the previous research that has been conducted on Brexit as well as theories on support for European integration, and support in Scotland and Wales. The chapter will end by introducing the country cases, and propose what would be expected from the different characteristics they position. After this, the specified aim and purpose of the thesis will be presented together with the research question and the hypotheses. Thereafter the part of method and material will follow, where the variables that will be used in the analysis also will be included. Subsequently, the results will be presented first in descriptive models and after that, in a logistic regression model. Finally, the thesis will move on to the concluding remarks of this study and discuss some paths for future research.

2. Previous research

First presented will be an overview of the research that has already been done about Brexit. Thereafter a brief history of support for the European integration project in Scotland and Wales will be presented. After, some theories with focus on economy will follow, that aim to explain on what basis support for European integration occurs. Finally, the case of this thesis will be presented.

2.1. Previous research on Brexit

Since Brexit is a rather new phenomenon, there is not yet abundant of research on the topic. However, much of the studies that have been released focus on the divide of the people. For example, Sara Hobolt (2016), John Curtice (2016) and Matthew J. Goodwin and Oliver Heath (2016) all have found a pattern of the typical 'left-behind voter' in their respective research. This voter is socio-economically distinct; they are older, more likely to be men, less educated, lives in less urban areas and are often blue-collar, and, voted 'leave' in the referendum (Hobolt, 2016, Curtice, 2016, Goodwin and Heath, 2016). Hobolt explains this by saying that there are winners and losers of globalisation and that it is the less educated, older, and the working class that miss out on more of the opportunities whereas the educated, younger, professional workers in urban cities see more advantages of these changes (2016, p. 1260, 1265).

Goodwin and Heath (2016) further explain that the 'left behind voter' has to do with different sets of values. The 'leave'-group often feel neglected as they feel distant to the values and opinions that are offered by the mainstream media and the mainstream parties, as they have all been moving closer to each other and to socio-liberalism and leaves no other viable option. The 'left behind voter' is a former social conservative voter who wants a more native and authoritarian response to the cultural and economic changes that the UK is undergoing, instead of embracement of the EU, multiculturalism and liberalism that they are instead faced with (2016, p. 325, 331).

Curtice's (2016) research on the citizens feelings towards the EU and opinions in a future referendum was conducted before the vote took place. Although, he also found a similar understanding of the 'left-behind voter' as he also points to the less educated and older people being the ones who voted to leave. Yet, he means that these people have strong perceptions of

culture and identity and that this plays a big role in the deciding what to vote for in a future referendum. The more one thinks that the EU is a threat to the national identity, the more likely one is to be more negative towards the union. Although, this is not the sole decisive factor. Curtice stresses the importance of the interplay between culture and economy. He means that only the cultural aspect is not enough for having voted to leave, but if one also thinks that the EU is bad for the economy, this is what would trigger the vote.

Except of the socio-economic factors that have mattered in the Brexit vote, research has also shown that people have expressed a ‘punishment’-strategy in their vote choice where the people who feel a distrust to politicians voted ‘leave’ to protest against the establishment (Hobolt, 2016, Goodwin and Heath, 2016). On the other hand, some people have followed a ‘cue-taking’-approach in their vote, where the voters make their choice upon the opinions of the party they sympathise with. This has notably been the case in Scotland and Wales, where people who sympathise with the pro-EU Scottish National Party (SNP) and Plaid Cymru to larger extent chose to remain in the EU (Hobolt, 2016, p. 1270).

Moving away from the voter-perspective to the national debate on EU membership, Andrew Glencross (2015) takes up the divergent perceptions of the local and national governments. According to Glencross there is a fight between the neo-liberalist policies and the financial capitalist that the Westminster wants to pursue and the anti-austerity policies and the social-democracy that the Scottish local government pushes for. For Westminster and the British government their policies would flourish better in a climate where the EU can’t control the national politics, whereas Scotland sees EU as a mean of reaching their economic goals. In the recent British history, several succeeding governments have valued economic interests through the EU rather than focusing on normative advantages and ideals of an ‘ever closer union’ which proves a pragmatic approach to the EU. In both the Scottish and British cases the perceptions are a case of economic exceptionalism where different values stand against each other and will be competing against each other in a (at the time) future referendum. Glencross means that this could eventually also lead to a question of not only remaining or leaving the EU, but also an existential question of the union of the UK (2015).

Following up on the divergent views on Brexit and the EU in the different nations in the United Kingdom, Alisa Henderson, Charlie Jeffery, Dan Wincott and Richard Wyn Jones (2017) shed light on the mistake of studying Britain (leaving Northern Ireland out) as a whole

and not paying attention to its different components. They have focused on England and argue that it was where the ‘Brexit was made’ since it is home to 84% of the population in the UK. Moreover, it was also because of ‘Englishness’ or typical English concerns that Brexit happened. In their study, they do to some extent support the former literature on the ‘left-behind voter’ but support that the immigration concern is a stronger explanation. They elaborate this concern about immigration and prove that it is mostly an instrumental fear of immigration, and not mainly culture, because of its perceived effects on the general economy and public spending. These typical ‘English’ concerns are closely linked with English identity in contrast with British identity, as feeling English or more English than British have a positive effect on voting ‘leave’.

2.2. Support for the EU in Scotland and Wales

The two devolved nations have had a rather pragmatic relationship with the EU and used it to attain their own domestic goals and policies. The support for European integration in Scotland and Wales is mainly explained by academic literature by looking at the main pro-European parties in the two nations – Scottish National Party (SNP) and Plaid Cymru, and their history with Europe, and is thus what this chapter will mainly present.

Paul Chaney (2014) points to two different periods in recent Welsh history (after the devolution) with the EU that proves this pragmatic course of action. First was the period that closely followed the devolution when the main party Plaid Cymru wanted Wales to be completely autonomous and saw a chance of being independent through a more prominent role in the EU and in the union’s Committee of Regions. The manifest that the party released in 1999 was one of the most pro-EU oriented manifests amongst minority nationalist parties at the time. During this period, Wales saw the EU as a prospect of gaining independence in the future and to pursue national interests, instead of being under the power in Westminster. But, it was also a way for the party to gain an electoral base in the beginning of the devolution. However, this pragmatic approach changed when Plaid Cymru did poorly in the election of 2003 and changed their approach to be more voter-friendly and raised questions about, for example language rights and education, which derived attention from questions about Europe. In 2007 when Plaid Cymru entered into a coalition with Labour they had to further focus on giving benefits to their national electoral and questions about autonomy became even less so a priority. To sum up, the key for Plaid Cymru is to use the EU to promote self-governance. But

Chaney (2014) also shows that other questions of economic character within the EU are also emphasised by the party's discourse, such as for example aid/social and economic development.

Other scholars have also pointed to a similar pragmatic approach in Scotland with the regional party SNP. Seth Kincaid Jolly (2007) for example, explained the change in Scottish politics towards the EU from this perspective. When SNP's party manifest in 1987 started to recommend the EU, it was a way for the party to stand out from the other main parties with a more extreme position and at the same time put the question of independence in Europe in focus. Moreover, SNP could acquire more economical benefits and secure special Scottish interests, such as agriculture and fishing, through the EU. The party thus supported European integration because it gave them political advantages and a scope of future independence, which was their main goal. Later, in the 1997 manifesto, SNP argued for more national economic advantages as they even said that Scotland could be among the richest nations in the world being independent inside the EU, conditioned that there would be a fair distribution of North Sea oil following independence. Kincaid Jolly means that many regional parties are pro-European out of instrumental reasons, and he even explicitly draws the link to SNP being what Haesly called 'Instrumental Europeans' (if not even Europhiles).

This approach of pragmatism is further acknowledged by other academics such as Chris Gifford (2009) and Klaus-Jürgen Nagel (2004) who support the argument that regionalist parties such as SNP and Plaid Cymru have a positive, but an instrumental support to the EU to secure own interests and goals. Besides, Nagel (2004) also add that for example financial support from the EU can to some extent help and assert the national identity of regions such as Wales as they can mobilise on a regional level for competition over this money and thus create a more common national feeling.

Gifford (2009) also states that in the case of Scotland, the Europeanisation of SNP has led to a more inclusive national political identity which is more compatible with the multi-level governance that the EU proclaims. Because of this, Gifford suggests that the more integration the regional parties have with the EU the more inclusive in their nature they will become. He also points to the salience of contrasting oneself from the typical British Euroscepticism and its dominance, that will further lead regional parties in Wales and Scotland to draw upon the

positive link between their regions' role in Europe as they feel that their regional identities have a strong compatibility with the EU.

2.3. Theories on Support for European Integration

2.3.1. How economic evaluations and prospects matter

Extensive research has shown that the general economic situation and evaluation of the national economy as well as personal economy inside the European Communities the (EC – before 1993) and European Union (the EU – after 1993) affect support for European integration. This was especially the case during the time before the Maastricht Treaty (1993), as the EC was then mainly only an economic entity. Economic evaluations as an effective explanation still holds true after this time, even though additional or complementary explanations also have come to play a decisive role in explaining support. One example is identity, which will be addressed in the subsequent chapter.

Richard C. Eichenberg and Russel J. Dalton (1993) for example, proved that over time, economic conditions influenced citizens attitudes towards the EC (now the EU) as they would evaluate the Community on how the national economy performed within this context. They showed that it was especially the inflation rates and the national shares of intra-EU trade that mattered. Eichenberg and Dalton (1993) explain that it is because of the direct effect that many EC policies have on prices that the inflation rate is of special significance on EU support. The Value Added Tax (VAT), the European and Monetary System (EMS) and price regulations in agriculture through the Common Agricultural Market (CAP) are examples of these policies. To a lesser extent, EU-citizens also evaluated the EC on issues such as Gross Domestic Product (GDP) and the general situation of employment in their countries. Economic conditions such as unemployment rates and the general national economic situation, on the other hand, are not as easily tracked back to Brussels and thus less influence attitudes towards the EC.

Other scholars, such as Matthew Gabel and Harvey D. Palmer (1995), and Matthew Gabel (1998) have shown the effect of the citizens direct evaluation of economic situation on support for the EC/EU. Gabel and Palmer (1995) proved both evaluations of the nation's general economic situation as well as how much the individual citizen's own financial situation would benefit from EC membership, had an impact on support. For the national

context, they argued that the EC is being evaluated only from the policies and rules that are being decided upon on the European level and have a significance on the domestic politics. These policies mainly evolve around trade in the common customs market and regarding peace and stability from the ties created between countries. What concerns a persons' own financial situation, Gabel and Palmer (1995) also found that people who believe they personally have benefitted from the EC are more likely to say that the EC is a good thing, than people who think they have not benefitted. Moreover, their research demonstrates that people with higher education and 'marketable economical skills' will be more positive to European integration since they are more likely to benefit from emerging jobs and changes in the European open market, whereas less educated people with lower skills are more vulnerable in times of bad economy. Likewise, people with higher income will be more positive to the EC as they profit from a freer market and less public spending, and they who are not as wealthy will be more negative towards the EC as it impedes on national fiscal policies and welfare programs.

Gabel's (1998) research is in line with the former argument about a person's own financial situation within the EU liberalized market. He also points to the relevance of different groups who have different chances to draw profits and prosper from the European open market. Generally, he expects unskilled workers to be worse off in the internal market with increased competition as a threat, and high-skilled workers would generally be higher valued in the open market with increased opportunities. Although, this also depends on the relative wages in the respective countries. For example, more advanced economies often offer more opportunities for people with more advanced skills and high value human capital. Gabel argues that citizens' support for the EU is positively related to their work opportunities and that they approve attitudes in line with their own economic benefits.

Gabel (1998) also highlights that support for the EU depends on economic interests and that this can have implications on future referendums on European integration. The example that he presents in his article is the, at the time, planned referendum on Economic and Monetary Union (EMU). However, it can be expected that these factors can have an effect on other referendums as well, for example on the UK referendum on EU membership.

As the EC has developed over time, and is now both an economic and political union (the EU), Eichenberg and Dalton (2007) suggest that the economic evaluations since then work

differently from what the previous research has shown. As the Maastricht Treaty came into force, it further introduced the EU into the domestic arena by controlling budgets and forced budgetary cuts in the light of the compliance of the EMU deficit criteria. Dalton and Eichenberg thus put emphasis on the move from evaluating the macro-economic performances such as inflation, growth and trade to distributive effects following deeper EU integration. Some evaluation of the aggregate economic performances still exists, but citizens are now mainly concerned about the politics of redistribution and the survival of welfare state programs, as the EMU include some harmonization of social security programs.

To draw a parallel of the arguments of economic evaluations of the EU to the case of Scotland and Wales, Clemence (2010) illustrates that economic interests and socio-economic factors play a role of support for the EU as a higher education can make a person more conscious of the positive advantages that derives from membership. They could for example be more knowledgeable of the effects that financial support has had on social progress and regional development in their countries.

However, there are also scholars expressing critique towards this rationale thinking of ‘cost benefit analysis’. This issue is raised in the debate on the basis that EU citizens are lacking knowledge of the EU and its machinery. Christopher J. Anderson (1998), is of this view as he expresses that citizens are badly informed even on the very basics of EU and its institutions, such as who the member states are, or which is the most powerful institution etc. The critique put forth by Anderson is that if the citizens do not even know about simple things in the EU, how would they then be able to rationally calculate if European integration would give them more personal economic benefits? On the contrary, Anderson argues that people use domestic proxies such as the government and political parties to help them decide of economic cost-benefits.

Anthony Downs’ (1957) theory on economic voting argues that citizens are rational in their thinking and that they calculate economic and policy prospects in their vote choice for national politics. He argues that the voter will decide accordingly to these calculations and vote for the political party (or scenario) which he perceives will deliver to him the maximum of benefits. However, even if Down’s argument is built explicitly to explain cost-benefits calculations for national politics, extensive research has shown economic factors to matter in attitudes towards the EU (e.g. Eichenberg and Dalton, 1993, Gabel and Palmer, 1995, Gabel,

1998, Eichenberg and Dalton, 2007). Thus, it could be assumed that *perceptions* of economic prospects and cost-benefit calculations can matter even in referenda on EU issues, despite people not being very well informed about European politics.

2.3.2. Understanding how economic evaluations and national identity interact

Many scholars have supported the theory that national identity matters in forming support for the European Union. Liesbet Hooghe and Gary Marks (2005) distinguished two types of nationalities: exclusive and inclusive, where the first one is more prone to think that European integration undermines the nation-state's sovereignty and the latter is more favourable to the EU integration project. Lauren McLaran is in agreement with the nationality argument as she argues that perceptions of threat to the own nation, such as immigration and globalisation, has a negative association with support for the EU.

To extend this argument to the theory of economic voting, Caroline McEvoy (2016) argues that it is both input-oriented factors such as political representation and identity as well as output-oriented factors like economic benefits that matters for citizens when evaluating the EU. The main point in her argument is that people who feel that their identity is represented by the EU and that they have trust in the union are less likely to evaluate support on basis of economic profits, whereas people who feel their interests are not being heard by the union will rely more heavily on evaluations of output-oriented benefits.

It has often been argued that the British identity in its nature is exclusive, and has consequently often been closely related to being Eurosceptic as they see the EU as a threat to the national sovereignty and culture (e.g. Haesly, 2001). Although, Richard Haesly (2001) argued that there are three main types of attitudes for support for the EU in Scotland and Wales; Eurosceptics, Europhiles and Instrumental Europeans. Europhiles feel more European in nature and will therefore support the EU out of principle. The Eurosceptics are the very contrary; they feel strongly national and are afraid of the threat that EU poses to the UK sovereignty and will oppose the integration project on all bases. Instrumental Europeans find themselves somewhere in between these two categories as their European pride is only moderate, and the main thing is that they base their support on instrumental factors. They are not automatically positive or negative to the EU but are more 'rational' and will evaluate

support on basis of what they can derive from it. In Scotland, Instrumental Europeans are the ones who tends to support the union because they believe that Britain as well as Scotland will draw economic benefits from membership. In Wales, people also feel moderate pride towards the EU, but are instrumental because they see more benefits with membership than the English that they perceive to be strongly Eurosceptics, and they want to distinguish themselves from this negative out-group.

In previous research on a future Brexit, Cutice (2016) has, as already mentioned, studied the role of the economy and perceptions of identity, and how these two interact. It largely agrees with McEvoy's distinction as he suggests that citizens evaluate membership in the EU mainly on two bases; 1) instrumental factors such as economic benefits and 2) cultural concerns. His conclusion is that there is an extensive fear in the UK that EU membership is a threat to the national identity, for example because of intra EU-immigration, but that this as a sole factor would generally not convince a person to vote 'leave' in a future referendum. In order for this to happen, Curtice stresses the importance of also thinking that EU membership is bad for the economy.

3. The country cases – looking at Scotland and Wales, similarities and differences

This thesis will, as already mentioned, look at the two devolved nations of Scotland and Wales. They both have some autonomous powers, although Scotland retains somewhat more political power from Westminster than Wales does (BBC News, 2016b). It has also been argued that in the campaign leading up to the Brexit vote, Wales was more engaged in the debate on *English terms* than on its own circumstances. The reasoning has been that Wales does not have an own political climate to the same extent as Scotland does. Instead, the Welsh people have heard arguments raised by English media and politicians. The strongest arguments in this debate has been the role of the economy and immigration. If Wales were to participate in the campaign on its own terms, focusing could instead have been on for example the positive effect that EU funding have had on Welsh regions. Moreover, the Brexit-debate might have been overshadowed by the election to the National Assembly that took place only some weeks before the referendum (Jones, 2016, O'Hagan, 2016). This could lead us to expect that the Welsh people based their decision on concerns that are mainly English, such as the economy and immigration, while Scotland had more influence over the debate in their respective territory.

Concerning the political climate in the two devolved nations, the literature on Brexit have suggested that left-voters would be more positive to EU-membership than people who support more rightist parties (e.g. Henderson, 2017 and Hobolt, 2016). In addition, the majority of the main parties in both Scotland and Wales are leaning towards the left, and have openly declared that they support continued membership of the EU. Scotland is the devolved nation where support for the EU is the highest and both the SNP and the Labour party have expressed support for the integration process since the 1980's. Even big companies, trade unions and the public are disposed to pro-European attitudes. In Wales, the general support is less spread than in Scotland, especially since UKIP has gained support in the region (Minto, 2016, p. 180-181). Even so, the main parties Plaid Cymru and the Liberal Democrats support membership together with the majority of the National Assembly members. Positive elements of EU membership have also been raised, especially concerning funding and benefits acquired by the farming community (Minto, 2016, p. 180-181). This pro-EU narrative would lead us to think that the people in the devolved nations would be more favourable of EU membership. However, the referendum vote in June 2016 showed a somewhat different outcome in Wales. Because of the similarities in the regards of political party support for EU in Wales and Scotland it is interesting to compare the two nations and their different referendum results.

Previous research has suggested that the EU can use financial contributions to enhance the support for the European integration project in certain nations or regions. Christopher J. Anderson and M. Shawn Reichert (1995) showed in their research that countries that receive more direct payments and get more support from the EU are more likely to support the country's membership in the EU. Lisa M. Dellmuth and Adam W. Chalmers (2017) further argue that this is the case with well aimed aid towards the regions' economic and its individuals' needs. Drawing from this literature, it would be expected that Wales which is one of the regions in the UK that gets the most funding, would be more supportive of the EU and be more positive towards the country's membership in the EU referendum. For example, West Wales and the Valleys the region in the UK that has got the second most funding (after Cornwall). This is similar to the figure that newer member states like Rumania and Bulgaria get as it is about €1000 per person during the period 2014-2020 (Dunford, 2016). Scotland on the other hand have some regions which have got more funding than the average region in the UK (The Telegraph, 2016). Although in general, Scotland does not get anywhere near the support per person that the people in Wales receive (for more details on financial

contributions from the EU to Scotland and Wales, and their share of the EU budget to the UK compared to their population size; see Appendix 5).

From the literature above, it would be assumed that, given that citizens know about the financial contributions from the EU, Wales would be more supportive of membership in the union than Scotland. However, scholars such as Clemence (2010) argues that higher education plays a decisive role in evaluating the EU, as higher educated people would be more knowledgeable of advantages that are being derived from membership. Since Scotland is a country with a great share of the population holding tertiary education it could be expected that they would know more about the positive implications that EU means for the nation and therefore be more supportive of EU membership in the referendum as a result (Johnston, 2014). Anyhow, it is interesting to see how all of these factors interact with the results in this thesis, as the outcome in Scotland and Wales differs as Scotland voted 'remain' and Wales voted 'leave'.

3. Specified aim and purpose

At the present, the Brexit-literature is lacking to explain the vote with considerations to the special conditions of the devolved nations in the UK. The aim of this essay is thus to contribute to the works on Brexit by focusing on, and comparing, Scotland and Wales as well as contributing to studies on the UK referendum on EU membership and EU referendums in general. This essay will add to the existing Brexit research by focusing on evaluations of the economic situation within the EU, both personal and national, to examine if this is a convincing argument for voting leave/remain. This argument will be tested with help of a logistic regression model which will include factors that have already been proven to matter in the UK referendum on EU membership such as age, gender, education, class, left-right affiliations in politics and sense of nationality.

3.1 Research question and hypotheses

The general research question this thesis aims to answer is:

‘Why did Scotland as a devolved nation vote to ‘Remain’ in the EU and Wales as a devolved nation vote to ‘Leave’ the EU in the UK referendum on EU membership the 23rd of June 2016?’.

Drawing from the research presented in the previous chapter, it can be expected that instrumental arguments such as evaluations and perceptions of the economic situation within the EU could matter in the referendum vote. This thesis will test this argument on both the personal financial situation as well as the general economic situation for the devolved nations.

H1: Voters in the devolved nations Scotland and Wales, who thought that their nation’s general financial situation would benefit from leaving the EU, were more likely to vote for ‘Brexit’.

H2: Voters in the devolved nations Scotland and Wales, who thought that their personal economic situation would benefit from leaving the EU were more likely to vote for ‘Brexit’.

However, since Scotland had a majority that voted to remain, in contrast to the smaller majority in Wales that voted to leave, it can be anticipated that the economic argument will be

presented differently, or interact differently with other factors in the two devolved nations. Following this, a third hypotheses is represented:

H3: The economic argument had a different impact on voters in Scotland and Wales.

4. Method and material

This thesis will use a 'most similar systems design' to conduct a comparative study between Scotland and Wales in explaining why these, in many cases similar nations, voted differently in the referendum on UK membership in the EU. One problem with this design is that it is impossible to find two exactly homogenous examples with the dependent variable as the only exception (Esaiasson, 2017, s. 101-103). Important differences that can affect the outcome is for example the somewhat different political status in the UK with Scotland holding more autonomy and having more of its own political climate than Wales, as well as people in Scotland generally holding a higher education. Also, Wales is receiving more EU funding than Scotland is (BBC News, 2016, The Guardian, 2016, The Independent, 2014, The Independent, 2016). Although, the nations are sufficiently similar to add to this analysis; both position some autonomous power in the UK, have distinct national identities, receiving relatively much funding from the EU and both having a majority of left-parties in power which are openly supportive of EU membership.

Moreover, a statistical analysis is being used in this study in order to investigate the research question. This approach is helpful since a broad set of data can help understanding the underlying causes of the problem. With a quantitative method, it is possible to examine how different factors affect one another, and see how these interact. This study will aim at understanding what factors had a larger explanatory effect on the Brexit-vote in Scotland and Wales (De Vaus, 2002, p. 7, 23-25), while making use of a set of different variables. With a rather large sample size, the quantitative method will further help making generalizations about the results and allow to say something about the whole population.

In this study, statistical data from the *British Election Study* will be used, which includes 4,892 valid respondents in Scotland and Wales. This thesis will use the 'Wave 13 of the British Election Study Internet Panel' which offers a lot of information on the perceptions of voters as well as information about their age, gender, education, etc. The data also includes the independent variable 'voted leave/remain' in the referendum on EU-membership (BES, 2017).

In this quantitative study, first some descriptive data will be used in order to get an overview of the situation. When analysing the results more in depth, a logistic regression model will be

used. This is suitable when examining the effect that different factors have on a certain behaviour with two different outcomes, in this case what people decided to vote in the EU referendum – remain or leave. Further, the logistic regression model is useful when the variables in question are not continuous but categorical, in contrast to for example a regression model (Edling and Hedström, 2003, p. 173).

Alternative methods that could have been used to understand the research question is for example a qualitative research approach with in-depth interviews. This could allow more free responses and lead to a broader understanding with underlying explanations to how and why certain aspects play a role in deciding what to vote for in the referendum for Scottish and Welsh voters. The difference to this thesis' approach is that it a qualitative study would have to be with only a few people instead of nearly 5,000 respondents that will be used in this quantitative research study. The few personal interviews would probably lead to more careful and in-debt answers but on the other hand it would not allow for generalization of the results to the same extent, and therefore wouldn't answer the exact research question that this thesis poses (Justesen and Mik-Meyer, 2013, p. 13, 45,46).

4.1. Variables

Dependent variable

The dependent variable in this study is whether people voted to 'Remain in the EU' or to 'Leave the EU' since this is the main question this thesis is interested in answering. This question, as well as the rest of the questions in the dataset, was self-reported in the survey. Respondents were first asked the question: *'Talking to people about the EU referendum on June 23rd, we have found that a lot of people didn't manage to vote. How about you? Did you manage to vote in the EU referendum?'* then the question *'Which way did you vote?'* followed. The question had three different alternatives: 'Remain in the EU', 'Leave the EU' and 'Don't Know'. In the analysis, the respondents who chose the alternative 'don't know' have been excluded, since the research question is only concerned with those who voted either to remain or to leave. In the dataset, 'Remain in the EU' is coded as 0 and 'Leave the EU' is coded as 1.

Independent variables

The independent variables will help test if perceptions of the economy following a possible Brexit can explain why people voted the way they did. As there were two main questions

relating to evaluating the economy, both of these will be used – one for the general economic situation, and one for the respondents' own financial situation. This study will use four different variables connected to this (one of which will only be used in the descriptive statistics as it measures the effects on the UK as a whole when grouping together the respondents of Scotland and Wales) and the other three will be used in the univariate analysis as well as in the logistic regression.

The question *'Do you think the following would be better, worse or about the same if the UK leaves the European Union?'* in the questionnaire is applied to 1) the 'general economic situation in the UK', 2) 'my personal financial situation' and for Wales; 3) 'The general economic situation in Wales', and for Scotland; 4) 'The general economic situation in Scotland'. All of these are coded in the same way. They range from 1 to 5 where 1 =much worse and 5=much better. As it is presumed that thinking that the economy would be better off following Brexit, this would have a positive relationship with the dependent variable to vote 'leave' in the logistic regression model.

With these questions, two different kinds of economic evaluations can be measured. First, the questions about the economic situation in UK/Scotland/Wales measures the effect that one thinks Brexit will have on the overall national or subnational economy. Second, the question concerning the personal financial situation measures another, less utilitarian economic evaluation. Both different aspects will be included in the analysis to give a broader estimation of how economic evaluations and prospects matter for the voters.

Control variables

The following control variables will be included in the logistic regression model; age, gender, education, social grade, left-right scale and nationality, as previous research on Brexit as well as research on support for European integration in general has proven these factors to matter (e.g. Curtice, 2016, Goodwin and Heath, 2016, Hendersen, 2017, Hobolt, 2016, McEvoy, 2016). They have all been coded so that a higher value on the variable corresponds to what is presumed to be more likely to be related to the 'leave' vote. The control variables will help to discover if the independent variables will still have a significant relationship with the dependent variable when the control variables are included, or if it is rather a question of a spurious correlation.

Age is already on an interval level, and thus would not need to be recoded. Gender is recoded to a dummy where 0 stands for Woman and 1 for Man. The question concerning education was asked in the following way: *'Have you ever attended a University or other higher education institution?'* and four answers were given: 'No, I have never attended higher education', 'Yes, I am currently enrolled in a higher education', 'Yes, but I didn't complete higher education' and 'Yes, I graduated from higher education'. There is also an answer for 'I don't know', which has been left out of the analysis. This variable, too, has been recoded into a dummy variable where the ones who have graduated from higher education together with they who are currently enrolled at the university stands for 0, and the ones who have not attended higher education or did, but not graduated stand for 1. The social grade scale was included in the respondent's profile and the answers are already in an ordinal scale where 1=A (upper middle class), 2=B (middle class), 3=C1 (lower middle class), 4=C2 (skilled working class), 5=D (working class), 6=E (non-working). The refused or unknown answers have been coded as system missing in the analysis. The question for the left-right scale in politics was asked in the following way: *"In politics people sometimes talk of left and right. Where would you place yourself on the following scale?"* and the answers range on a scale from 0-10, where 0=left and 10=right.

Further, nationality has proven to have an effect on support for European integration in general as well as in Brexit research (e.g. threat to nationality from example migration), especially in terms of inclusive/exclusive nationalities (e.g. Henderson, 2017, Hobolt, 2016, Hooghe and Marks, 2005, McEvoy, 2016, McLaran, 2002). Moreover, nationality arguments such as questions on sovereignty and immigration was, together with the role of the economy, the main argument in the British campaign leading up to the referendum (The Independent, 2016, The Guardian, 2017). This is the reason why variables which corresponds to national identity will be included in one of the two models in the logistic regression. However, there were questions directly concerning nationality in the dataset, measuring on what scale the respondents felt British or not, as well as Scottish and Welsh. But including these variables in the analysis would have drastically reduced the *n* as very few had answered to these questions. Instead, two other variables which indirectly relates to nationality will be used. The questions answering most to nationality was the following: *'How much do you agree or disagree that the EU has undermined the powers of the UK Parliament'* and *'And do you think that immigration undermines or enriches Britain's cultural life?'*. These are suitable as

both frame that something – in this case the EU and immigration – is threatening what people closely link to nationality; culture and national sovereignty. This could work as an indicator of having more of an exclusive or inclusive identity. The answer to the first question is on a scale from 1-5 where 1=strongly disagree, 2=disagree, 3=either agree nor disagree, 4=agree, 5=strongly agree. There is also an answer for ‘Don’t know’ which in the analysis won’t be included. The answers to the second question range from 1 to 7 where 1=undermines cultural life and 7=enriches cultural life. However, in this analysis they have been recoded into the opposite order so that 1=enriches cultural life and 7=undermines cultural life, and ‘don’t know’-answers have been left out.

4.2. Reliability and Validity

The total number of valid respondents in the data from Scotland and Wales is 4, 892 people. This high number is important as it will increase the significance of the results as they will be more representative of the whole population. In turn, this will allow for more well-grounded generalizations of the results. With this sample size, a sampling error of 1,5% can be expected, which is relatively small. (Esaiasson, 2017, p. 171, De Vaus, 2002, p. 80-81, Justesen and Mik-Meyer, 2013, p. 13). Yet, it is also worth mentioning that, for some of the questions, there is a somewhat lower number of respondents, as there are some questions with invalid answers and have therefore been coded as system missing in the analysis.

An issue with the data is the somewhat skewed age in the population (see Appendix 3 and 4). There are more elderly people than younger who have answered the questions, which can have an effect on the results as it would be less representative of the population as a whole (De Vaus, 2002, p. 81). However, as control variables such as age will be included in the analysis, the skewness of age will be extracted in the final results. Likewise, the data is not completely representative for the actual population as in the case of Wales it is a majority who voted to ‘remain’, instead of ‘leave’ which was the actual outcome in the referendum. In the sample size used in the analysis 56,7% in Wales voted to remain, and in the actual vote 52,5% voted to leave the EU. For Scotland, the data is more correct as a majority in the sample size as well as in the referendum reported that they voted for ‘remain’. To be exact, 67,3% respondents in Scotland said they voted to ‘remain’ and 32,7% ‘leave’, which still does not correspond to the actual outcome as 62% voted to remain in the EU.

Concerning the variables used in the analysis, it is worth mentioning the variables for nationality (threat to culture and national sovereignty) measures the effect on the UK situation, and not the perceived effect on the devolved nations' territory. This would mean that, in essence, it is not the citizens' devolved nationalities that are being measured, but rather a *British* nationality. However, this was the variables closest to nationality with enough respondents that could be found in the dataset.

5. Results

5.1. An overview of the current situation – economic perceptions do matter

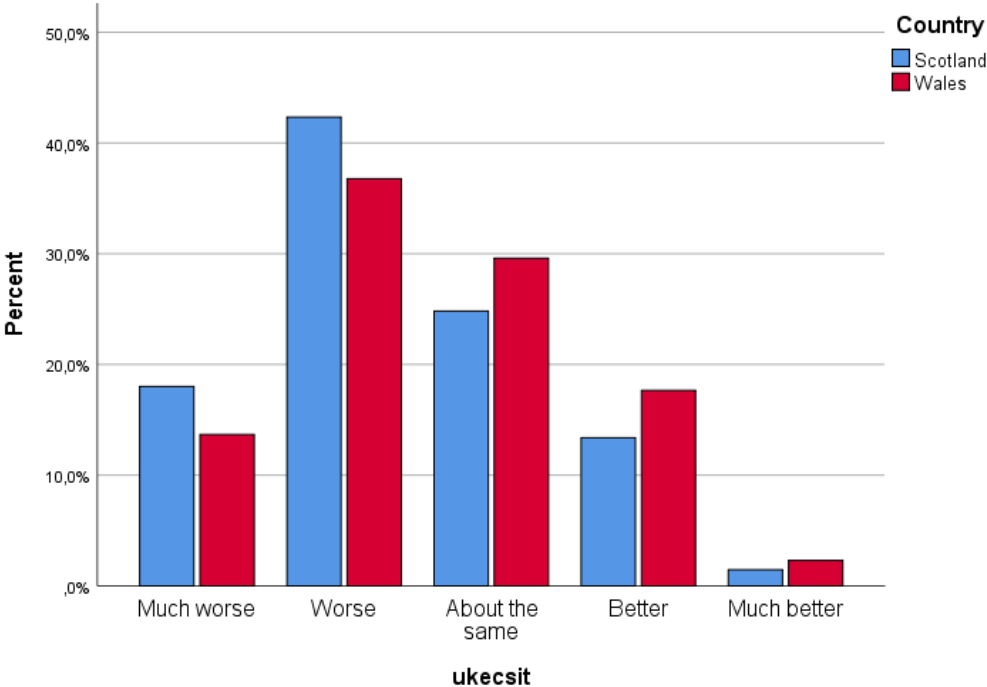
As an indicator that the perceptions of economic evaluations and prospects did matter in the UK referendum on EU membership, table 1 shows that people that voted ‘remain’ overwhelmingly thought that the economic situation would be either ‘worse’ or ‘much worse’ if UK were to leave the EU. Almost the opposite trend is to be found amongst the leave-voters, as people who voted ‘leave’ thought that the UK financial situation would either stay ‘about the same’ or become ‘better’. It seems like the most leave-voters thought that Brexit would not have a negative effect on the economy (less than 10% answered ‘worse’ or ‘much worse’). For them, the economic situation would either not change in particular, or it would be better outside the EU. Judging from these results, it seems convincing that remain voters are more concerned with negative effects on the economy for the UK outside the EU. Only 2,2% thought the economy would do somewhat better or much better after Brexit.

Table 5.1.1. Crosstabulation with respondents from both Scotland and Wales. Showing what people thought the effects on the UK general financial situation would be following Brexit, divided by how one voted in the referendum.

Effects on UK financial situation following Brexit	Vote in referendum	
	<i>Remain</i>	<i>Leave</i>
Much worse	26,0%	1,1%
Worse	58,6%	8,6%
About the same	13,2%	48,1%
Better	2,0%	37,6%
Much better	0,2%	4,6%
Total	100% (n=2,899)	100% (n=1,666)

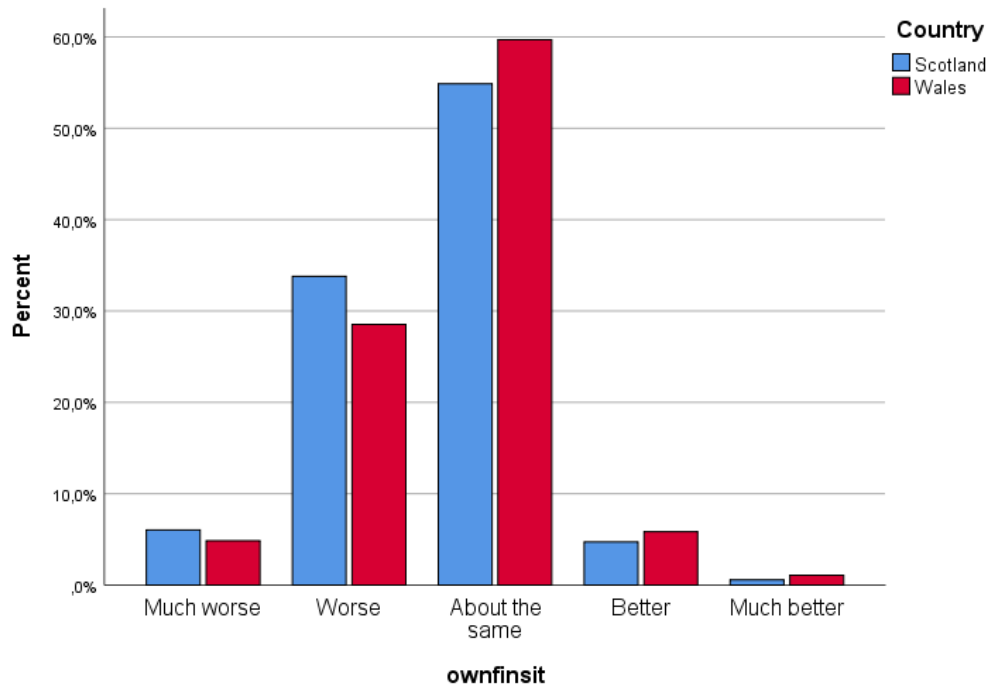
N= 4,565. Data collected from British Election Study Internet Panel, Wave 13.

Table 5.1.2. Perceptions of the economic effects on UK financial situation following Brexit, divided by country.



N= 4,789. Data collected from British Election Study Internet Panel, Wave 13.

Table 5.1.3. Perceptions of the own financial situation following Brexit, divided by country.



N= 4,667. Data collected from British Election Study Internet Panel, Wave 13.

When dividing the results by country (table 2 and 3), it becomes apparent that both in terms of the UK financial situation and respondents own financial situations, people in Scotland are more concerned with negative outcomes following Brexit than in Wales. This gives some indicative support to the third hypotheses that economy has a different effect on the two nations. Looking at the UK financial situation (table 2) 60,3% of respondents in Scotland thinks that the general economic situation for the UK will become either worse or much worse if leaving the EU, whereas in Wales, 50,5% of the respondents think that the situation will become worse or much worse. There is a difference of 9,8 percentage points between the two nations in perceptions of the negative effects, which gives some preliminary support to the overarching argument that people’s economic perceptions mattered for the Brexit outcome in Wales, since the Welsh people in general had more positive prospects of the economy following Brexit.

Also in Table 3, Scottish respondents think that their own financial situation will become worse than the Welsh respondents, which also implies the different role that the economy plays in the two devolved nations. In Scotland, 39,8% of the people asked answered that they thought their financial situation would become either ‘worse’ or ‘much worse’. In Wales, 33,4% perceives their situation to worsen or worsen a lot. There is hence a difference of 6,4 percentage points in the two devolved nations perceptions of negative effects following

Brexit. However, the respondents in both Scotland and Wales were less negative of the consequences Brexit would have on their own financial situation than the effect it would have on UK’s general economic situation.

It seems, judging from table 1, 2 and 3, that there is a belief of negative consequences (or no consequences at all) rather than positive outcomes for the economy after Brexit, in both Wales and Scotland. Wales is less negative in all regards compared to Scotland, but there are still overwhelmingly negative views or ‘about the same’ which dominate.

5.2. Digging deeper in the effects of economic evaluations and prospects

Table 5.2.1. Logistic regression model with b-coefficients showing the possibility for

	Scotland		Wales	
	Model 1	Model 2	Model 1	Model 2
Economic situation in Scotland following Brexit (scale from 1=much worse to 5= much better)	1,76*** (0,103)	1,52*** (0,116)	2,06*** (0,143)	1,64***(0,160)
Own financial situation better off following Brexit (scale from 1=much worse to 5= much better)	0,95*** (0,123)	0,85*** (0,142)	0,87*** (0,172)	0,64*** (0,198)
Gender (Female=0, Male=1)	-0,26* (0,114)	0,01 (0,136)	-0,15 (0,154)	0,18 (0,186)
Age (interval level, minimum value=18, maximum value=90)	0,03*** (0,004)	0,02*** (0,005)	0,02*** (0,006)	0,02 (0,007)
Higher education (higher education=0, no higher education=1)	0,46*** (0,119)	0,27 (0,140)	0,48*** (0,157)	0,30 (0,186)

Scottish and Welsh voters to vote ‘leave’ in the UK referendum on EU membership.

Social grade (scale from 1= upper middle class to 6= non-working)	0,15*** (0,039)	0,08 (0,046)	0,18** (0,052)	0,16* (0,062)
Left-right scale (scale from 1=left to 10=right)	0,06* (0,028)	-0,01 (0,034)	0,04 (0,038)	-0,03 (0,046)
EU has undermined powers of UK parliament (scale from 1=strongly disagree to 5=strongly agree)		0,77*** (0,086)		0,81*** (0,115)
Immigration enriches or undermines cultural life (scale from 1=enriches to 7=undermines)		0,51*** (0,039)		0,52*** (0,050)
Constant	-10,02*** (0,484)	-13,38*** (0,659)	-10,06*** (0,653)	-13,09*** (0,840)
N	2472	2314	1936	1936
Nagelkerke R Square	0,52	0,66	0,59	0,70

*Comment: $p = p^{***} < 0,001$, $**p < 0,01$, $*p < 0,05$. Standard error in the brackets. Data collected from British Election Study Internet Panel, Wave 13.*

5.2.1. Model 1.

The first model in table 1 shows the results for Scotland and Wales. The model includes the dependent variable, the independent variables and all of the control variables except the ones which correspond to nationality. The table show the b-coefficients which tell the probability that something will happen. However, the exponential function of the b-coefficient expresses the odds ratio, which is the relationship between the odds of something happening in one group in relation to the odds in another group, and is what will be used in explaining the results (Sundell, 2011).

In both countries, there is a positive – and rather strong correlation between voting ‘leave’ in the referendum on EU membership and believing that the economic situation in the UK would be better off, following Brexit, which gives support to the first hypotheses. Although, judging from this model, it seems that it had somewhat a stronger effect on the voters in Wales, as moving up one step on the scale (1-5) would increase the likelihood of voting ‘leave’ with almost eight times, whereas in Scotland it would make someone almost six times as likely to vote this way.

Concerning the own financial situation, which was this thesis second hypotheses, there are very similar results in Scotland and Wales. In both countries, there is a positive correlation between voting for Brexit and thinking that the financial situation would be better off after the UK leaves the EU. Moving one step up on the scale of positive perceptions on the financial situation following Brexit (ranging 1-5), this more than doubles the likelihood of voting 'leave'. Thus, this also gives support to the second hypotheses.

In Wales, gender does not have a significant relationship with the dependent variable in the model and can thus not further be commented on. For Scotland this relationship is significant, although on the lowest level (which means that there is a 5% chance that the result is caused by random chance), and it seems like there is a negative relationship which would imply that women were more likely to vote Brexit than men. Age had a significant and positive relationship with voting 'leave' in both countries. But, given that age is a variable of multiple scale steps, the effect does not seem to be very strong. The effect only defines the likelihood of voting 'leave' by moving up one step on the scale, which in this case is one year. Higher education has some positive effect in both cases, so that people with no higher education (coded as 1) are more likely to have voted 'leave' than people who at the present attends, or have already finished university. Social grade also has a positive correlation with the dependent variable in the sense that people who are higher up on the scale (lower social class or unemployed/pensioners) are more likely to vote 'leave', although the effect is still rather low. The left-right scale does not have a significant relationship in the Welsh case, and in Scotland it is only significant on the lowest level and show almost no relationship at all.

To discuss the variation explained in the models in table 1, Nagelkerkes R Square will be used. This could be said to more or less be the correspondence to the determination coefficient R^2 that is normally used to explain the variation in OLS-regressions. Nagelkerkes R Square is not completely the same as the R^2 but can still be used in almost the same sense. Its highest value is 1 which would be a perfect model that has captured all possible explanations (Djurfeldt and Barmark, 2009, p. 131-132). In the first model, the variation explained is 0,59 for Wales and 0,52 for Scotland which would indicate that a relatively high share of the explanation has been captured by the model, and more so in Wales than in Scotland.

5.2.2. Model 2.

In the second model, the control variables that represents nationality have additionally been included. This changes the relationship of the other variables to some extent, especially so in Wales. In both countries, the value for the two economic variables have sunk. In both Scotland and Wales, there is still a positive correlation with a lot of explanatory power, even if it is not as high as in the previous model. Particularly for the Welsh case, the economic values are no longer as high as in the previous model, and have reached a more similar value as Scotland when it comes to the general economic situation. For Wales, moving up one step on the scale means that there is an increased chance by 5 times to vote 'leave' and in Scotland this number is 4,5 times. What concerns the own financial situation, the value is now higher in Scotland than it is in Wales, although they are still rather similar. Looking at the change which has been caused by introducing the nationality variables, it seems as if some of the relationship that was before captured by the economic variables have now been captured by the variables of nationality.

Gender and higher education in both Scotland and Wales have now stopped being significant, as well as social class in Scotland. Other than that, the age is almost exactly unchanged as well as the social class scale in Wales.

Both the national variables have a significant and positive relationship with the dependent variable, which indicates that thinking that the UK sovereignty is undermined by the EU as well as that believing that immigration poses a threat to the cultural life of the UK increases the chances of voting 'leave' in the referendum. The effect that these variables have on voting leave/remain is very similar in both Scotland and Wales. In both cases, it is more than double the chance to vote 'leave' if one moves up one step on this scale (1-5) on the sovereignty variable. The perception that immigration undermines national culture is also positively correlated with voting 'leave', although not as strong as the previous mentioned. Also, since introducing these variables into the equation has changed the prominence of the economic variables, this indicates that the national variables and the economic variables to some extent coexist and together explain the effect on voting 'leave'. This is especially the case for the Welsh voters as the effect of the economic variables has sunk and decreased the chances of voting 'leave' in comparison with the results in the first model.

The explained variation in this second model is somewhat higher than in the first. In Wales, Nagelkerkes R Square has risen to 0,70 and in Scotland it is 0,65, which is also more than in the first model. This implies that the variables corresponding to nationality increases the understanding of the leave/remain vote as it catches more of the explained variation, and is thus important to better understand the research question.

5.3. Reject or accept the hypotheses?

All of the tables presented above have shown that perceptions of the economy did matter in the Brexit vote for the devolved nations Scotland and Wales. The first hypotheses can be accepted as the logistic regression model showed that when controlling for factors which have proven to matter earlier in the Brexit debate; age, gender, education, employment status, left-right views on politics and nationality, perceptions of the economy inside/outside of the EU still matters on how citizens voted in the referendum on EU membership, as the variable for the nation's general economic situation had a positive – and strong – relationship with the dependent variable for both Scotland and Wales.

The second hypothesis also showed to matter in the logistic regression model as the own financial situation also had a significant and positive relationship with the dependent variable and thus proved that thinking that one's own financial situation would be better off following Brexit would increase the likelihood of voting 'leave' in the referendum. This means that also the second hypotheses can be accepted.

What concerns the third hypotheses, the two different models in table 5.2.1 can help answering this statement. What happens to the economy variables when introducing the nationality variables is that in Wales, the national variables catch some of the variation which was previously explained by evaluations of the economy. This would imply that in Wales, to some degree, the identity and economy go hand in hand with each other, whereas in Scotland the two are, to a larger extent, separated from each other, since the economic variables in the latter nation do not change very much when introducing the variables corresponding to nationality. How this can be explained will further be discussed in the next and last chapter. However, because of the different relationship the economic variables have towards the nationality variables, it can be proven that the economic argument had a somewhat different effect on the two devolved nations, and therefore also the third and last hypotheses is given support.

6. Discussion and concluding remarks

The specified purpose of this thesis was to explain the different outcome of the referendum vote in the devolved nations Scotland and Wales – why the majority in one of the countries voted to leave the European Union while the other country in a majority voted to remain. Whereas previous research on Brexit has mainly focused on socio-economic factors to explain the vote outcome in the UK, this thesis has put forth a complementary approach of evaluations of the economic situation to the understanding of the vote in Scotland and Wales. This approach is supported by previous research by Downs (1957) on economic voting and cost and benefits analysis as well as ample literature on support for European integration that has proved that evaluations on economic prospects is a main explanation for forming opinion on the EC/EU (e.g. Eichenberg and Dalton, 1993, Gabel and Palmer, 1995, Gabel, 1998, Eichenberg and Dalton, 2007).

This thesis has successfully shown that economic evaluations in the context of the UK referendum on EU membership did matter for the devolved nations, especially in evaluating the general national economy, as there is a positive correlation between having voted ‘leave’ and thinking that the nation’s economic situation would be better off following Brexit. It thus seems like there is more of a utilitarian approach to the economy in evaluating the EU’s effect on economic factors and policies. This would go in line with the economic arguments presented in the chapter on previous research that pointed to evaluation of for example redistributive character and worries that EU policies would negatively affect and reduce the scope of the welfare state and social programs (Eichenberg and Dalton, 2007). This can relate to the Brexit campaign as the negative economic argument risen by the leave-side emphasised for example the national budget loss that instead could have been spend on for example the National Healthcare System (NHS) (Lavoie, 2016). As the results also show a correlation between having voted ‘remain’ and thinking that the economy would be better off inside the EU, this also related to the arguments raised about the economy on the remain-side. Eichenberg and Dalton (1993) and Gabel and Palmer (1995) argued that a nation’s trade interests also mattered within the EC, and one of the main arguments put forth by the remain-side in the campaign was the positive effect that intra-EU trade has for Britain. Another argument raised by this side in the campaign is the prominence of the businesses within the EU market, which also relates to the national economy (Lavoie, 2016).

The case of evaluating the EU in the referendum on basis of prospects for one's own personal financial situation did also matter, but not to the same extent as the argument for the national economy. However, this supports the arguments previously presented by for example Gabel and Palmer (1995) and Palmer (1995) that pointed to the prominence of a person's evaluations of their own advantageous or disadvantageous situation within the EU liberalized market economy. Arguments for people's own financial situation have also been raised in the campaign leading up to the referendum, such as the positive effect for job creation and opportunities emphasised by the remain-side (Lavoie, 2016). On the other hand, the leave-side has argued that these arguments have been over-exaggerated and that leaving the EU won't lead to losses in job creation opportunities (Riley-Smith, 2016). Although, in both campaigns it seems like more focus has been on factors relating to the nation's economy, such as trade, businesses, the NHS and money (Lavoie, 2016).

The economic arguments played almost an equal significant role in Scotland and Wales when also including the variables corresponding to nationality. However, the second model showed that economic perceptions in Wales to some degree were caught by the nationality variables so that these two covary, which means that there is a larger group in Wales than in Scotland that voted 'leave' because they felt that the EU both threatened their economic situation and their nationality. Firstly, this supports that nationality had an effect on the vote in Scotland and Wales, which previous research on support for the EU has shown (e.g. Hooghe and Marks, 2005, McLaran, 2002) Secondly, this goes against what McEvoy (2016) advocates, since citizens in both Scotland and Wales would vote 'leave' on bases of economic evaluations regardless of if they also feel that the EU threatens their sovereignty, which could be interpreted as a sign of not feeling represented by the EU. Third, the covary of nationality and economy is similar, yet different to what Curtice (2016) showed in his research before the Brexit vote had yet took place, as he pointed to the effect that both thinking that the economy would be better off outside the EU as well as being concerned about negative cultural aspects of membership, on potentially voting 'leave' in the planned referendum. This thesis has shown that both economy and nationality affect the vote outcome, but contrary to Curtice's research, the results in this thesis show that economic perceptions alone would largely increase the likelihood of voting one way or another.

The covary of the two variables in Wales could perhaps also be explained by the campaign leading up to the vote, as it has been argued that Wales was more involved in the debate on English terms than on its own, in contrast to Scotland. Henceforth, it could be that voters in Wales have caught up upon the two main arguments in the debate: economy and immigration/sovereignty and that it is because of this that they, in the results, coexist to a larger extent than in Scotland (Lavoie, 2016, Riley-Smith, 2016). In this case, Brexit in Wales would also have been made on ‘English’ terms, as Henderson (2017) argued for in the context of the English exit-vote, since Wales might have been influenced by the same typical English concerns.

Further, an explanation to why Scotland and Wales voted differently in the referendum although the economic arguments for voting remain/leave indeed seem to be similar, is needed. The explanation this thesis will offer relies on previous research made on support for the EC/EU. Despite what previous literature has shown about financial contributions being a boost for European integration (e.g. Dellmuth and Chalmers, 2017 and Anderson and Reichert, 1995), Wales which has received a lot of funding from the union, and more so than Scotland who voted to remain, still chose to leave the EU. The Welsh vote could be explained by Anderson’s (1998) argument that citizens do not know much about the union and therefore would not be able to make accurate cost and benefit analysis. Accordingly, it could be that the Welsh people are not aware of the financial advantages that the country gets from EU funding, because information about the union is generally low. Instead, perhaps the Welsh vote could be explained by Anderson’s argument that citizens instead base their opinions and attitudes on what they know, such as national politics, and thus be more likely to rely on arguments put forth by the national politicians and the media leading up to the referendum.

Moreover, Clemence (2010) said that higher educated citizens are more likely to be aware of the positive advantages that the country derives from membership, such as for example financial support. As people in Scotland in general are rather well educated (Johnston, 2014), this could mean that they are more aware of the benefits that follow from EU membership, and thus vote for ‘remain’ on this basis. Also, as Gabel and Palmer (1993, 1998) argued, people with higher education and more marketable skills would be more open to EC/EU membership as membership would particularly benefit this group. This argument also supports that more people in Scotland would think that the economy is better in the EU, than

people in Wales, as Scottish people generally have higher education and thus possesses more marketable skills (Johnston, 2014). This is an additional explanation to the argument that Welsh voters are being more involved in the English debate on Brexit where the leave-side seem to successfully has mobilized on the negative effects of the economy in the EU.

To conclude, this thesis has shown that economic evaluations of both national and personal nature mattered in the Brexit vote in Scotland and Wales, and thus addresses the research gap that previously existed as no literature has yet explicitly focused on the devolved nations in the referendum vote. The results have also revealed that economic evaluations and national identity arguments in Wales covary to some degree, in contrast to Scotland where the two arguments are largely separated. It has been proposed that this could be a consequence of the possibility that Welsh voters have been more engaged on English terms in the debate leading up to the vote, which mainly focused on the role of the economy and immigration/sovereignty. However, future research could address the underlying causes more carefully and include for example variables such as what news channels/politicians the voters follow and support, to understand where the views of the economy and identity stem from. Since nationality also have shown to matter, and differently so in Scotland and Wales, it could also be interesting for future studies to more specifically examine typical Scottish and Welsh connotations of nationality, if data would allow for it. Nevertheless, by having shown that economic evaluations mattered in Scotland and Wales in the UK referendum on EU membership, this also adds to the Brexit literature in general and could also imply that economic evaluations not only matter in forming support for the EU, but also explicitly have an effect on referenda on European integration.

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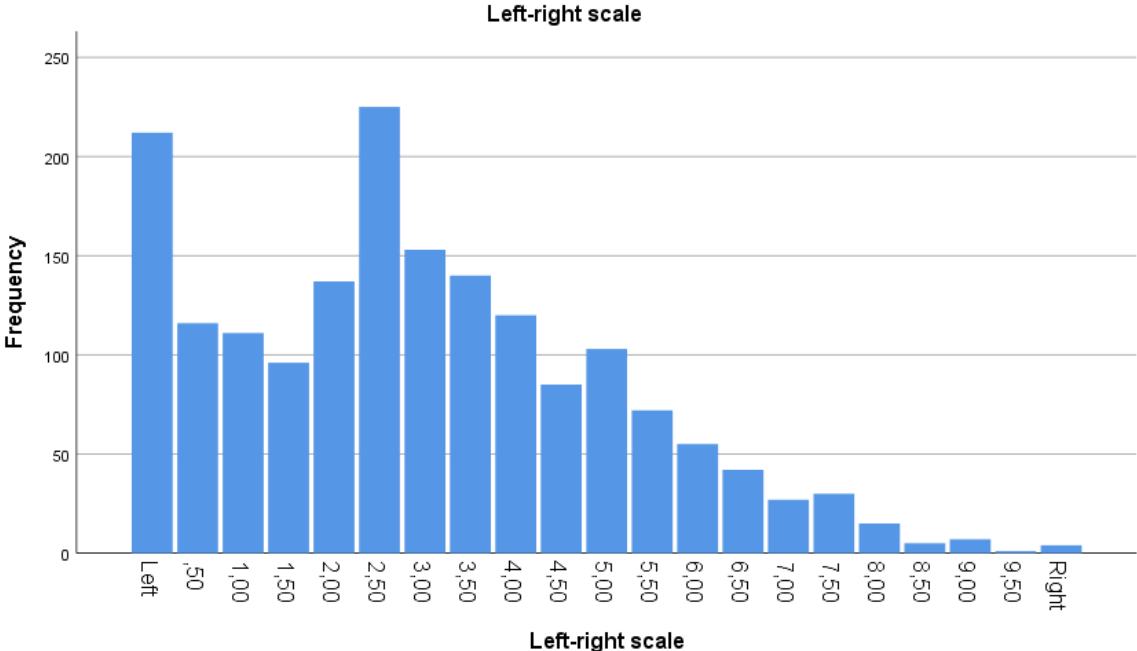
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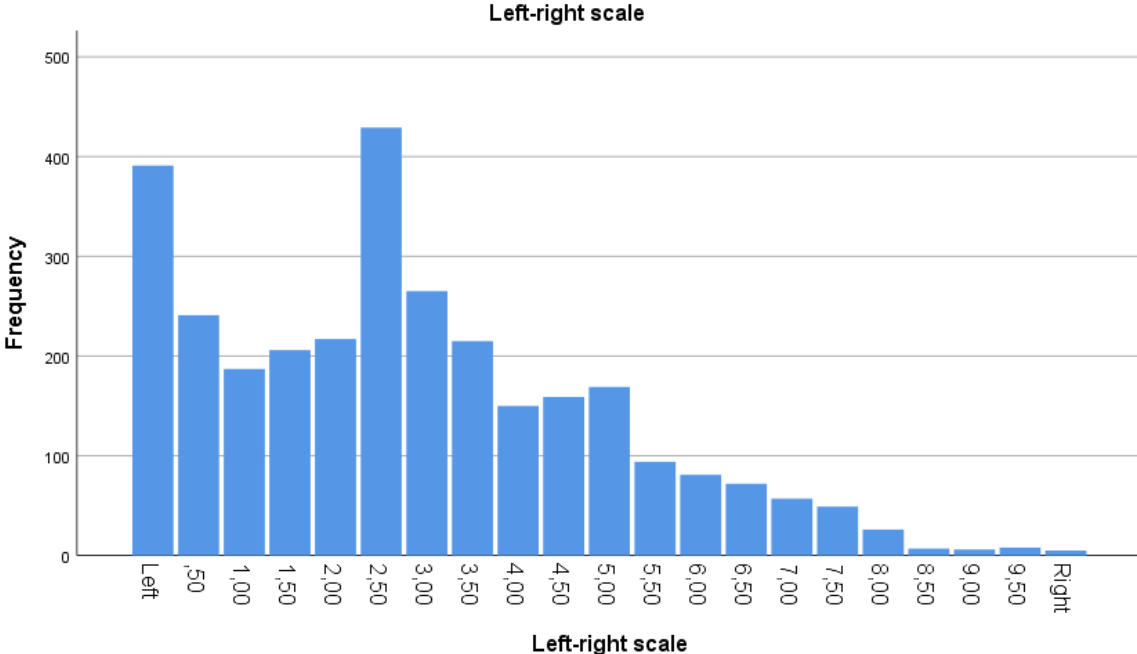
Appendix

Table 1. Political left-right scale for Wales. Question: “In politics people sometimes talk of left and right. Where would you place yourself on the following scale?”.



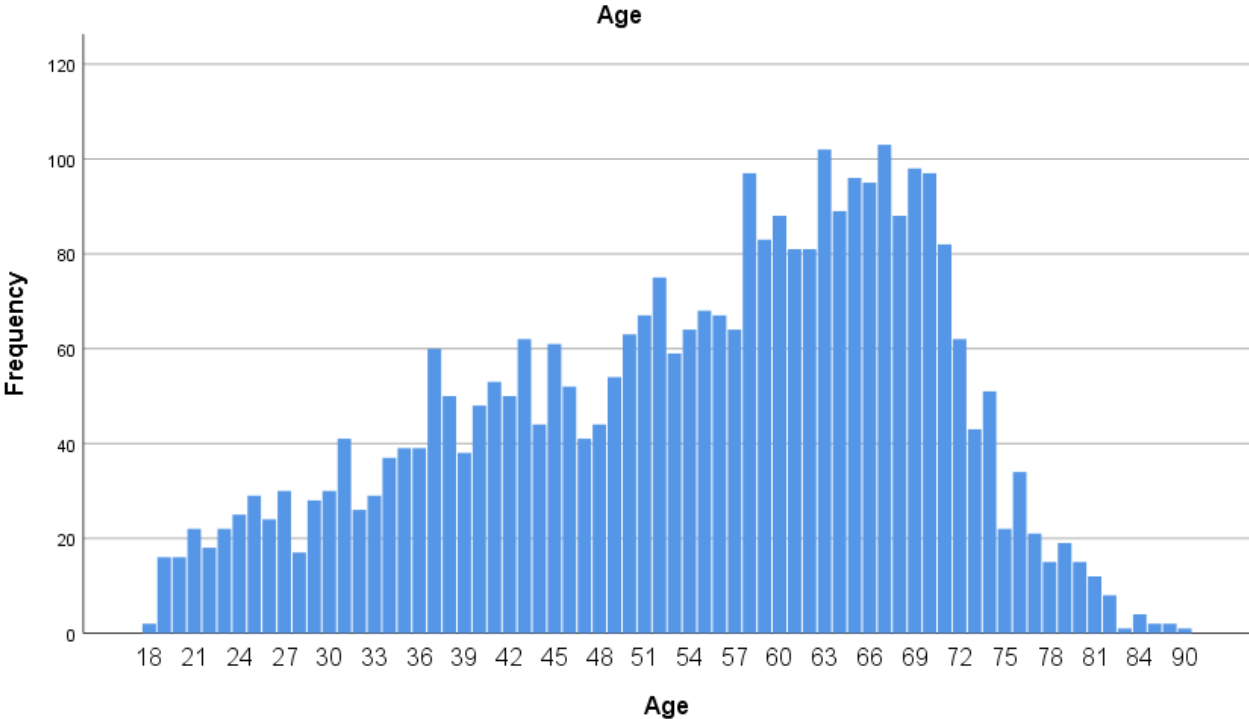
N=1,936. Data collected from British Election Study Internet Panel, Wave 13.

Table 2. Political left-right scale for Scotland. Question: “In politics people sometimes talk of left and right. Where would you place yourself on the following scale?”.



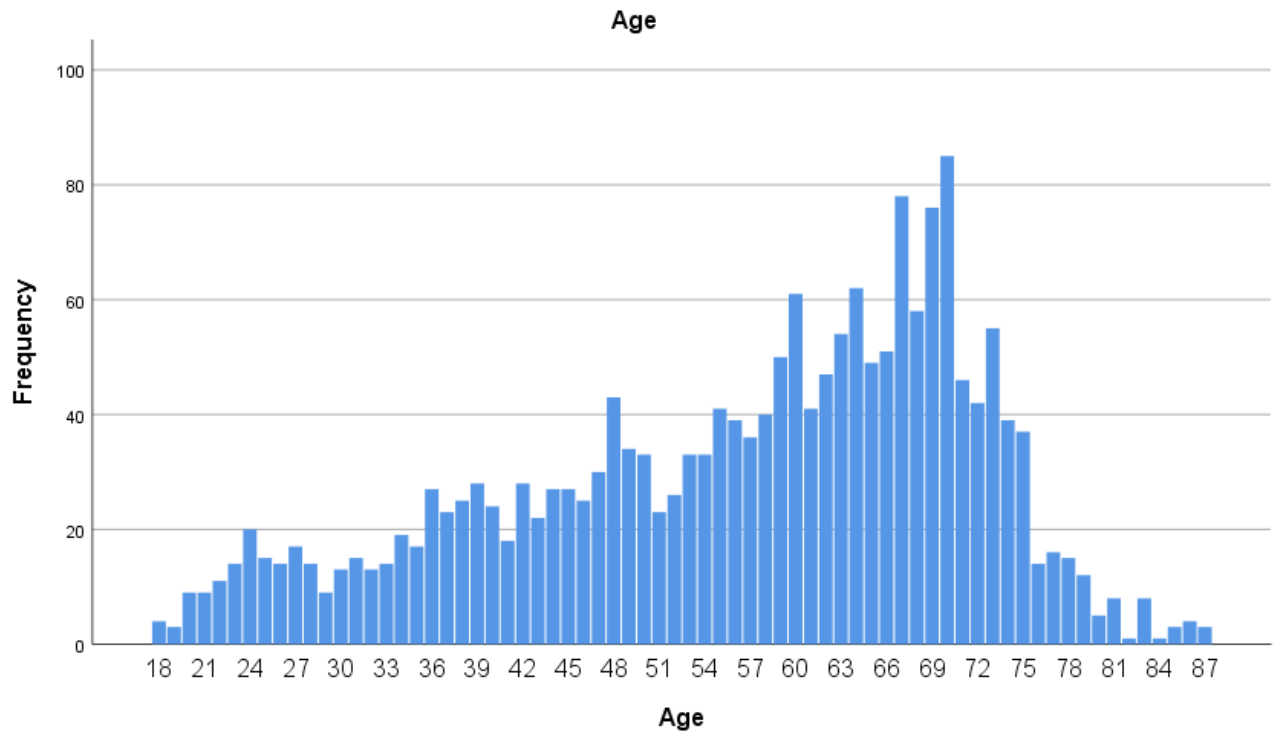
N= 3,266. Data collected from British Election Study Internet Panel, Wave 13.

Table 3. Distribution of age for respondents in Scotland.



N= 3,266. Data collected from British Election Study Internet Panel, Wave 13.

Table 4. Distribution of age for respondents in Wales.



N= 1,936. Data collected from British Election Study Internet Panel, Wave 13.

Table 5. Information about EU funding to the UK, and to the devolved nations Scotland and Wales and their share of the budget in relation to their population size in the UK.

	United Kingdom	Scotland	Wales
Total EU Funding in the period 2014–2020	€16,41bn	€941m	€2,25bn
Country's population in percentages	100%	5,42%	4,85%
Country's share of the UK budget of EU Funding 2014-2020		5,73%	12,8%

Data collected from European Commission, The Tepegraph (2016), UK Population 2016 and Welsh Government.