



Brexit coincided with peak inequality – causes and effect?

Professor
Danny Dorling

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Brexit may be key to the future of inequality in the UK, and inequality may have been key to making Brexit
(from creating tax-evader-funders to mass-discontent)

- The UK currently has the highest recorded level of income inequality of any European Country
- This is probably not a reflection of its economic efficiency. Free markets are often inefficient.
- It may be part of the reason why Brexit is occurring – creating most of the Leave drivers
- And Brexit may also make such extremes of inequality hard to sustain for much longer



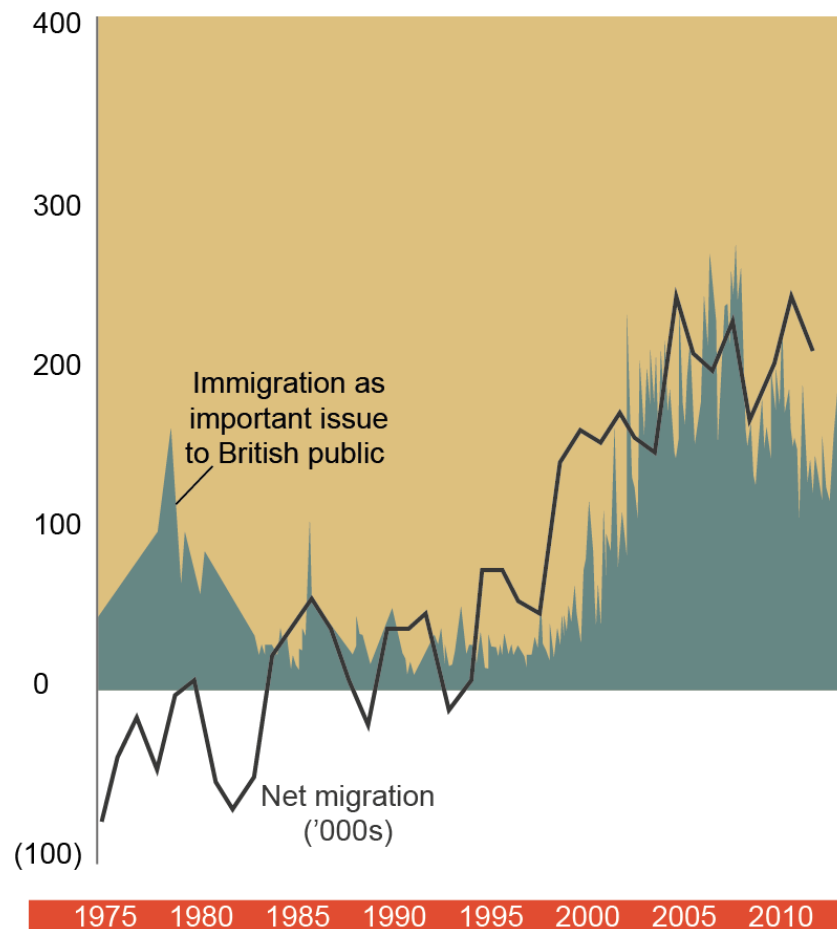
Introduction

- Lead up – election campaigns spread fear of immigration in 70s, 90s and 00s
- Hostility to EU whipped up, not held up
- Geography of Brexit voters distorted by press
- Inequality had strong impact on vote
- Vote largely influenced by badly understood legacy of having been the largest ever Empire
- 52/48 - the perfect vote for moving forward

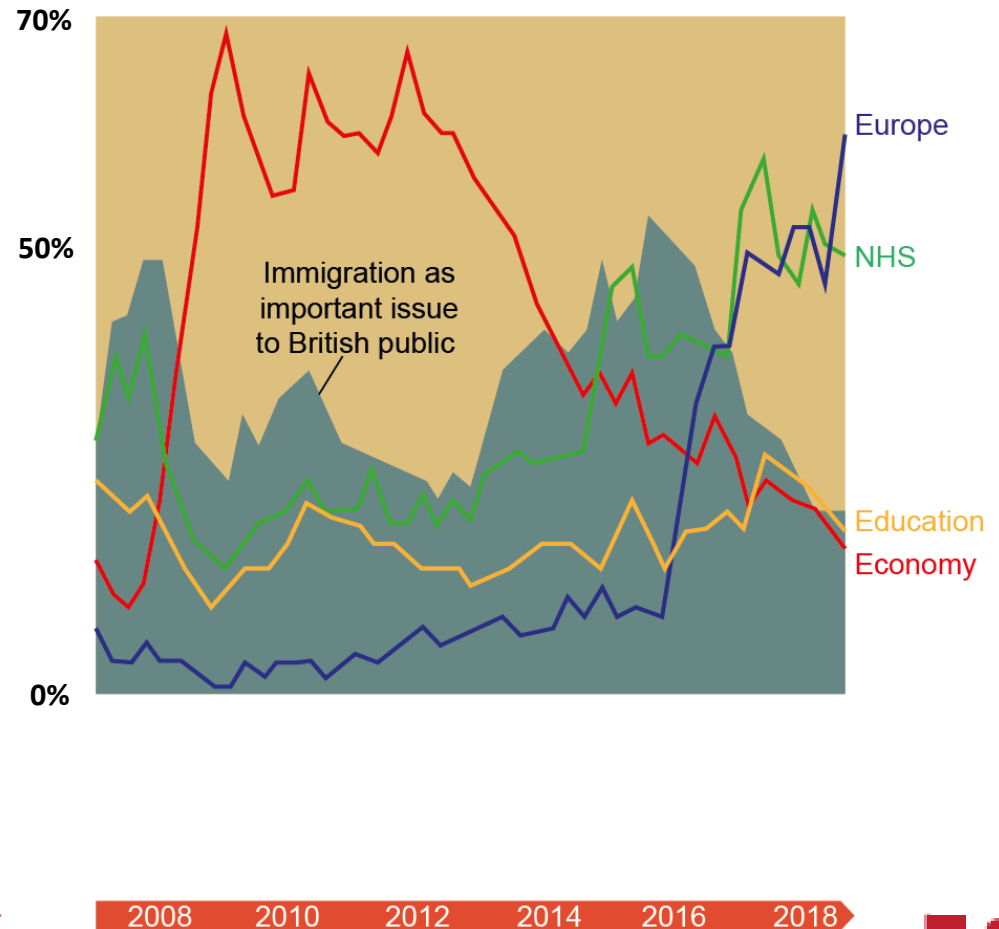


British attitudes to immigration

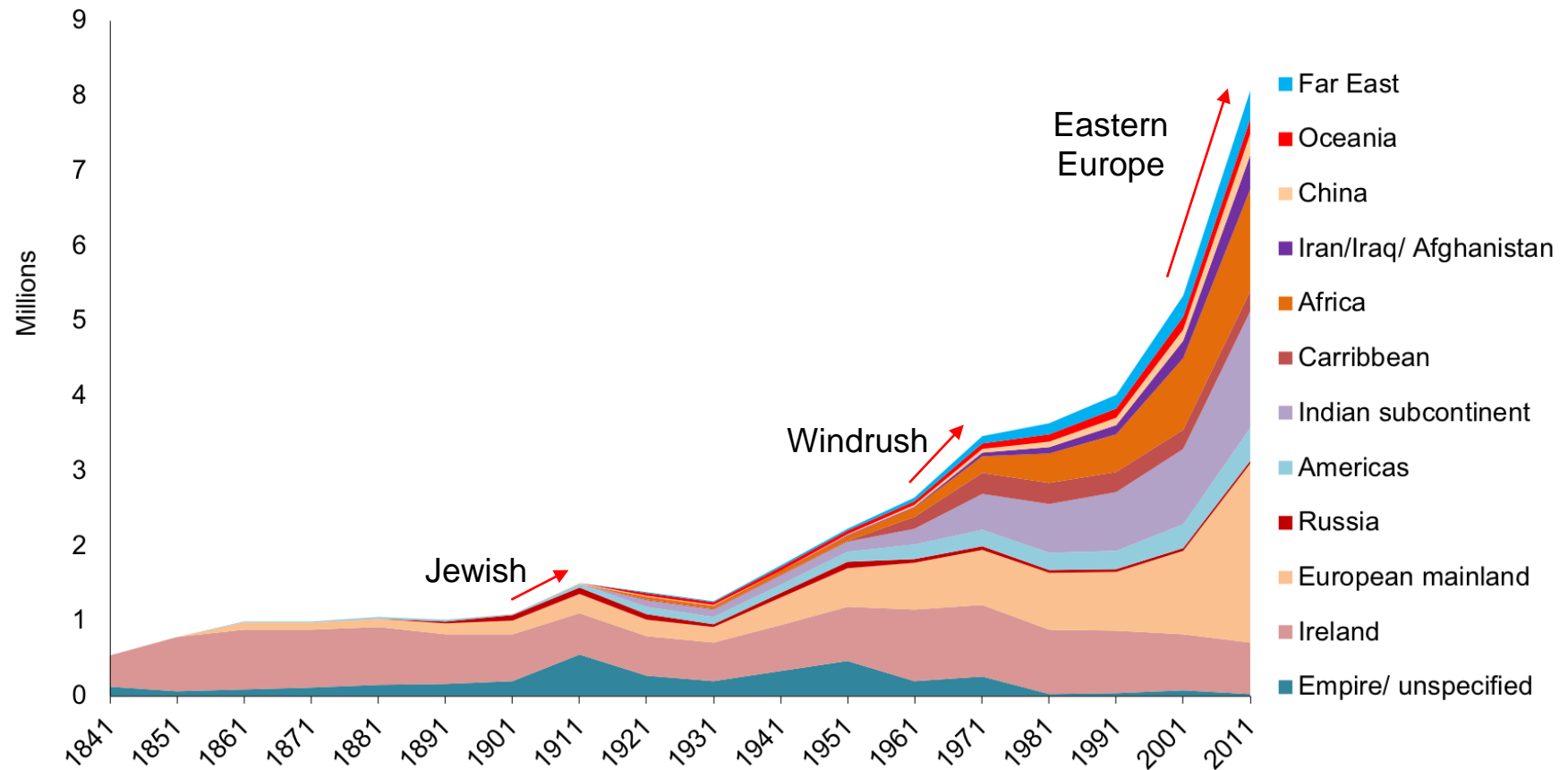
Immigration as important issue facing Britain



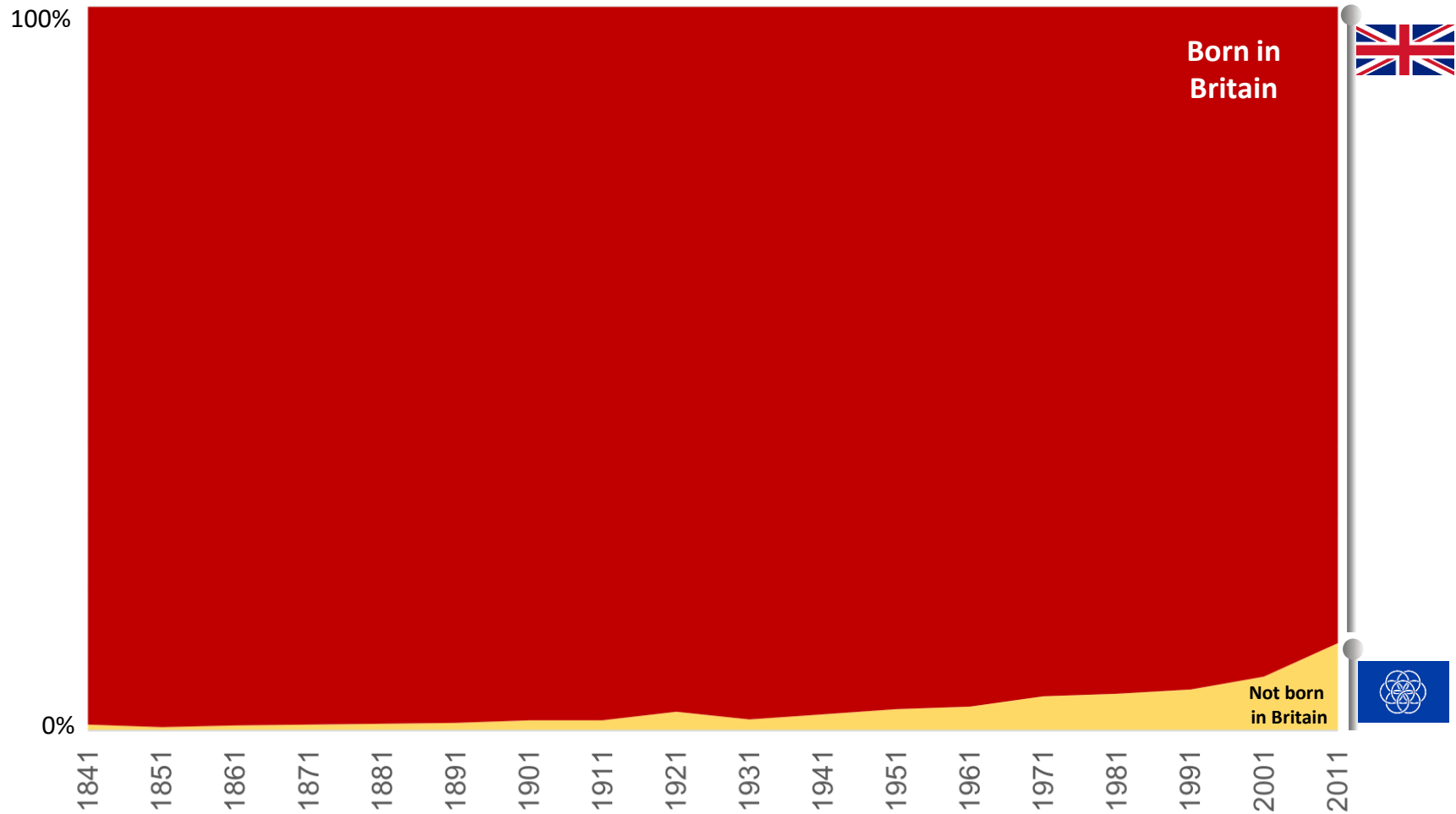
Five most important issues facing Britain



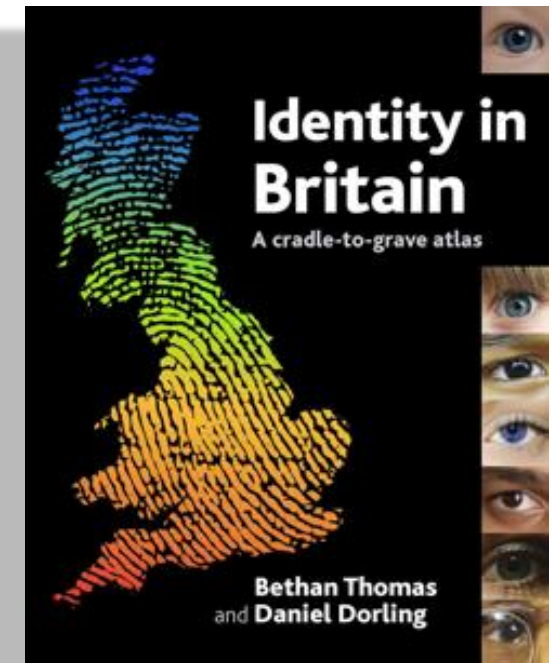
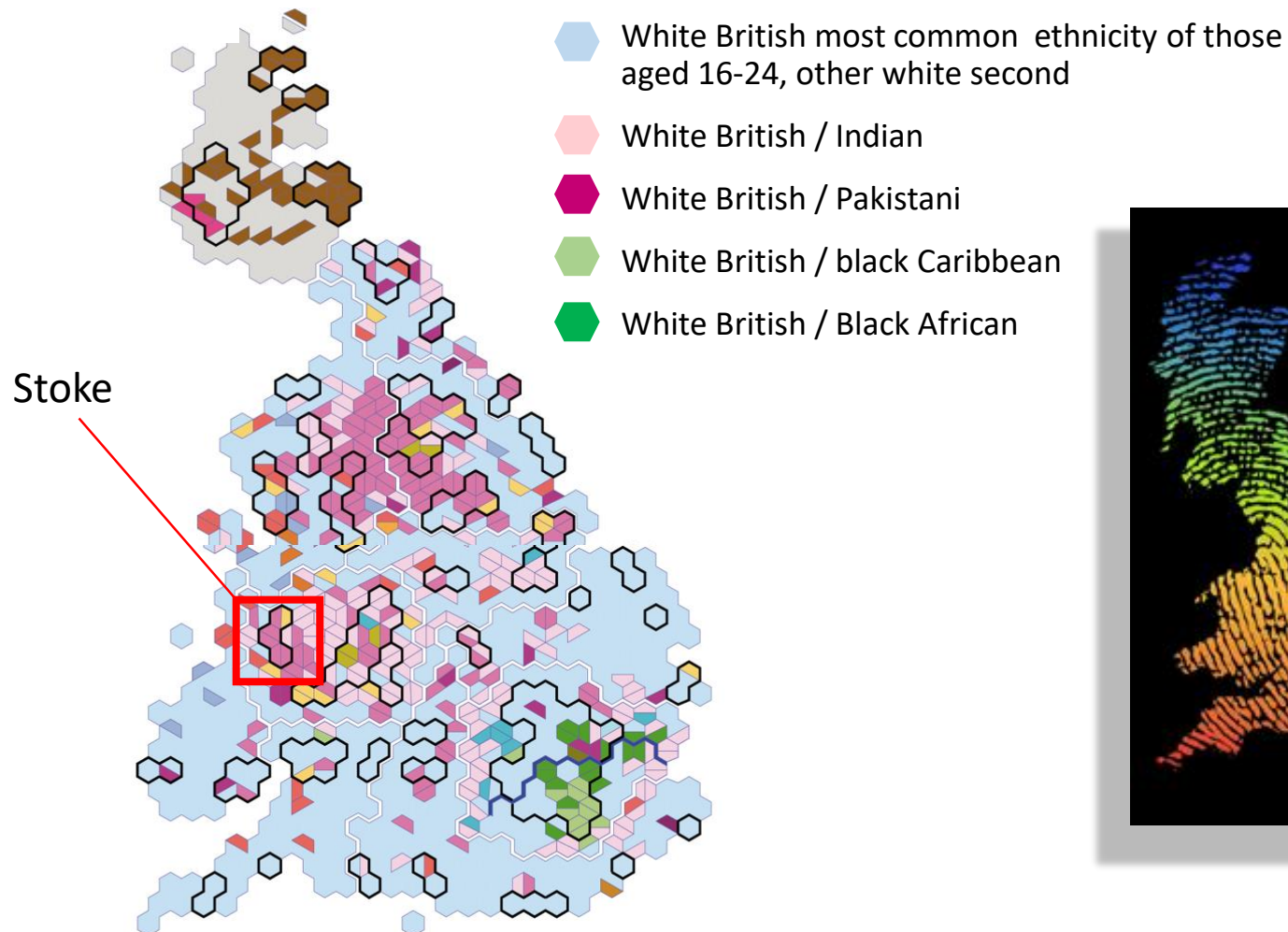
Inward migration has been rising in UK as part of global trend



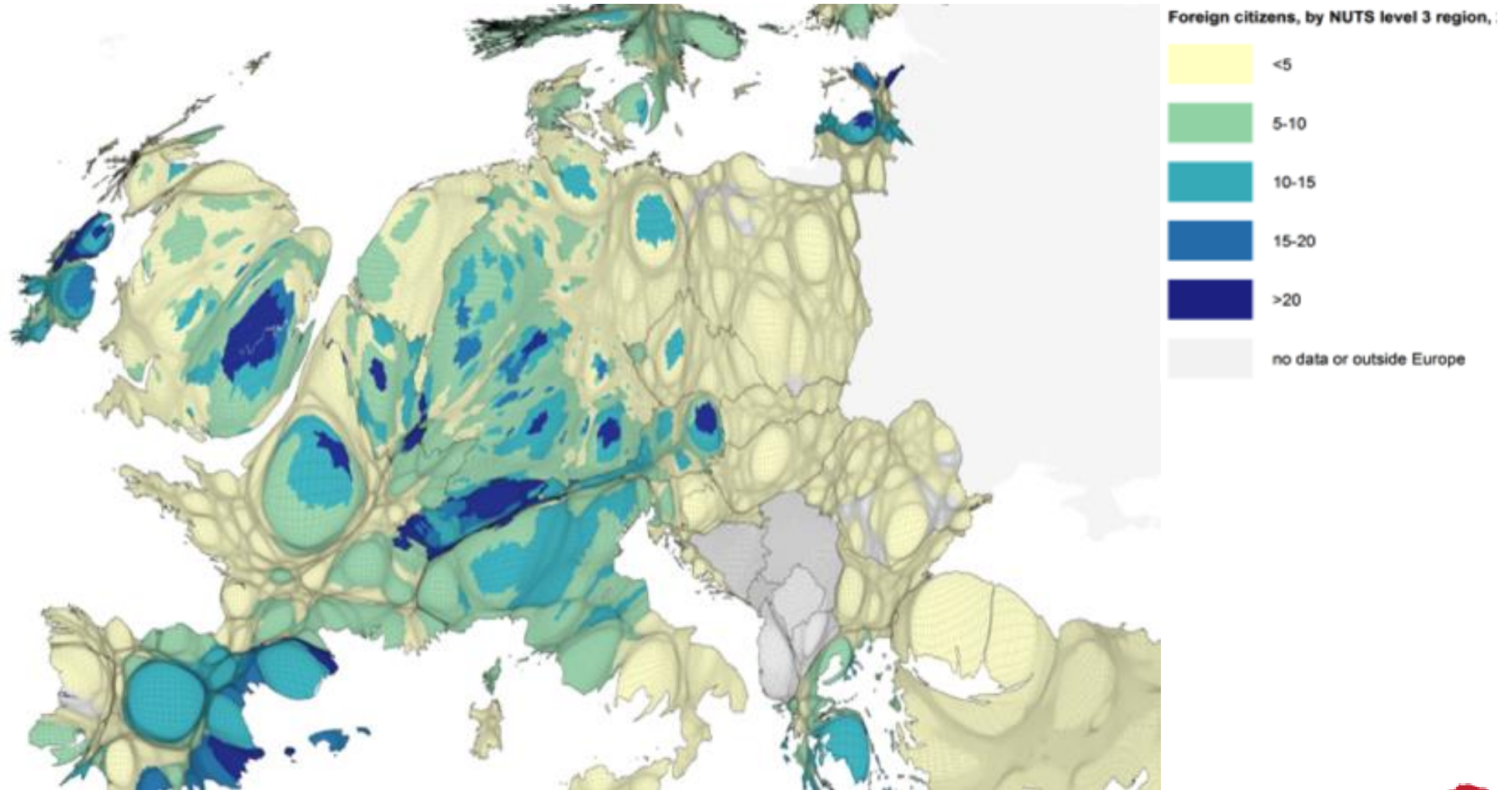
Migration to Britain in context



First and second most common young adults 2011 by neighborhood



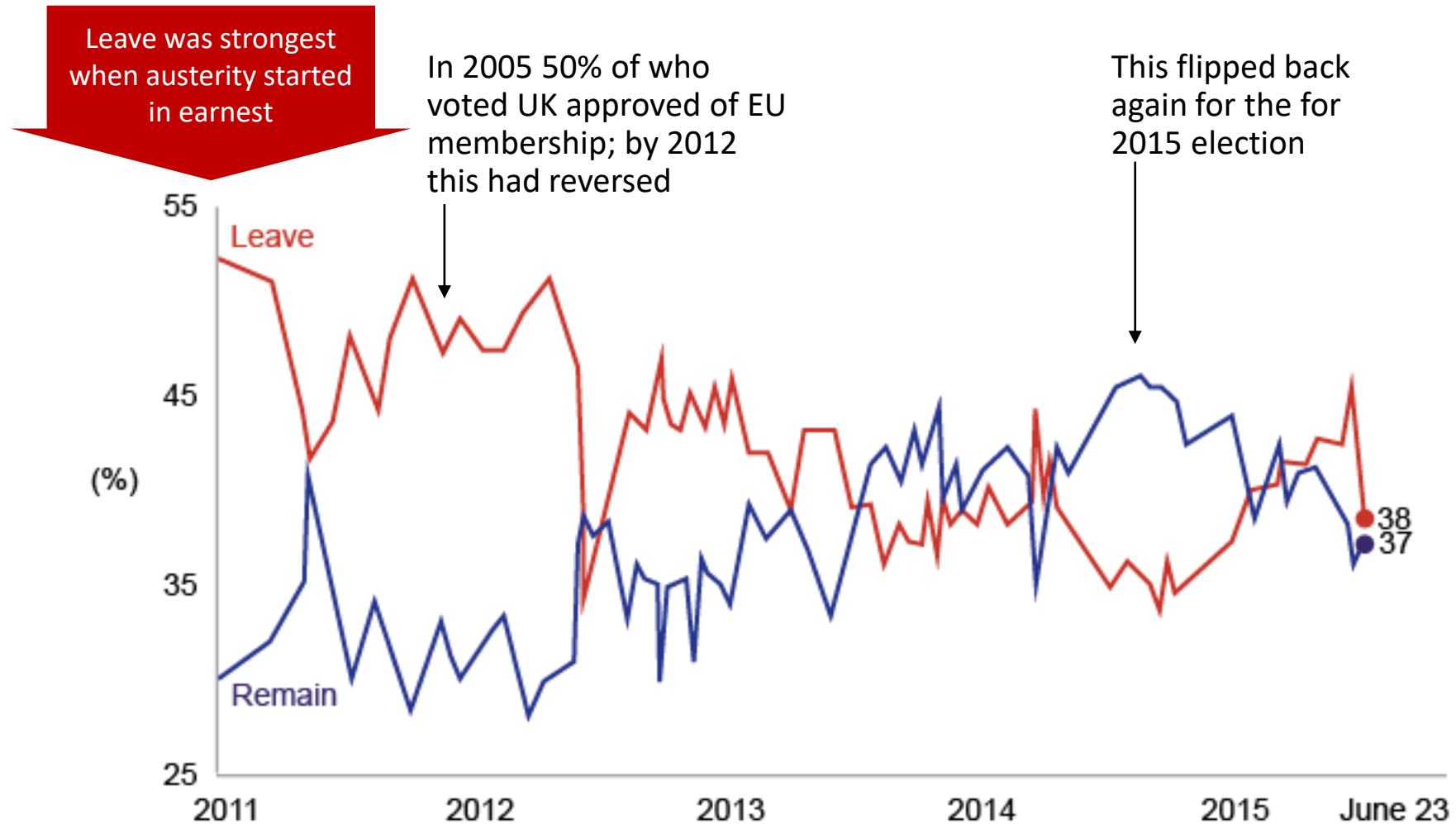
2014 map of cross-border migration



Source: D. Ballas, B. Henning, D. Dorling, The Social Atlas of Europe 2014



Volatility, austerity and Brexit



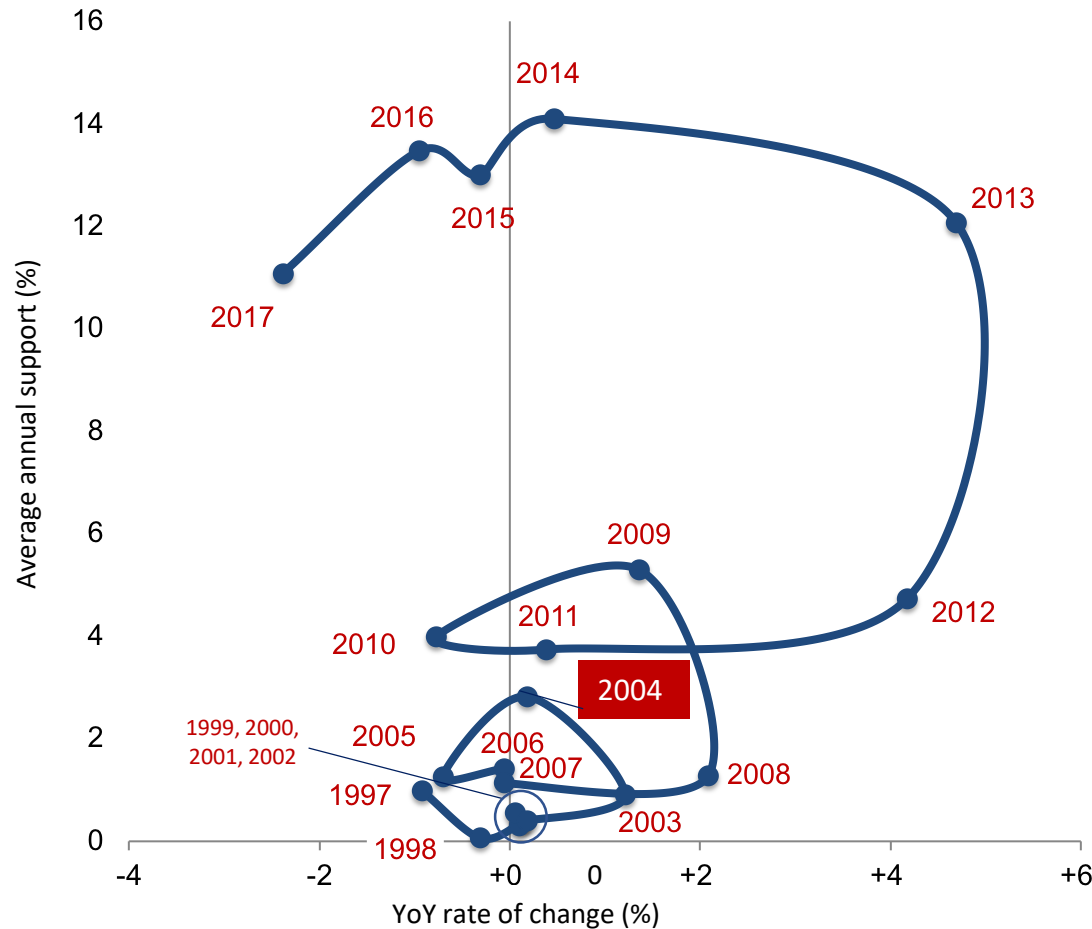
Source: YouGov



The rise of the right pre Brexit

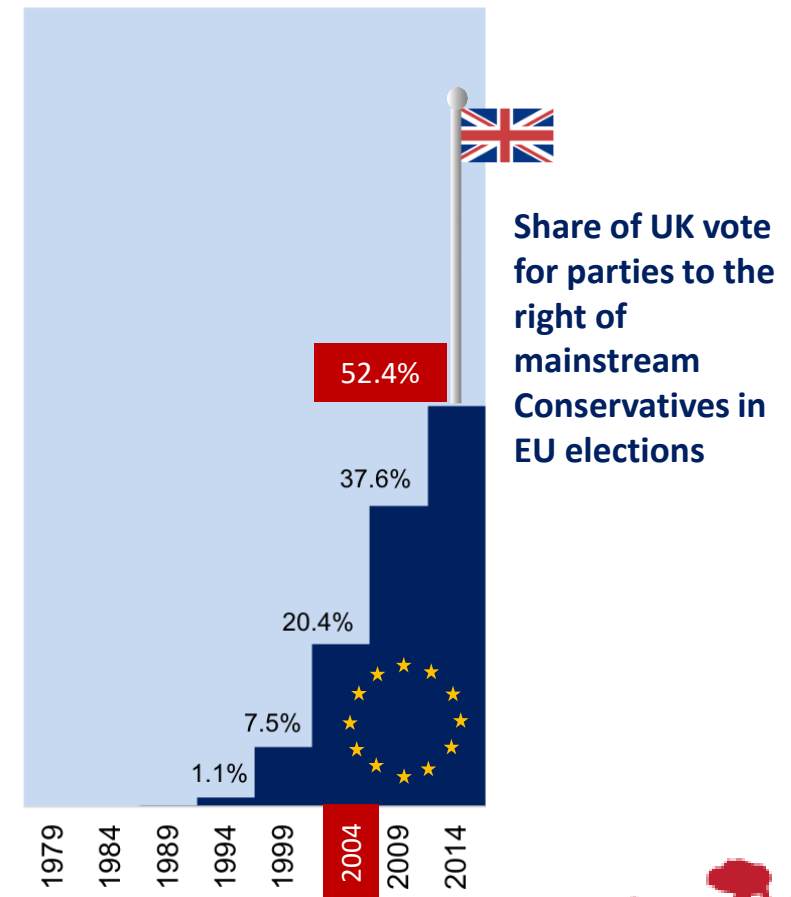
Westminster election voting intentions

Domestic support for UKIP and other far right parties

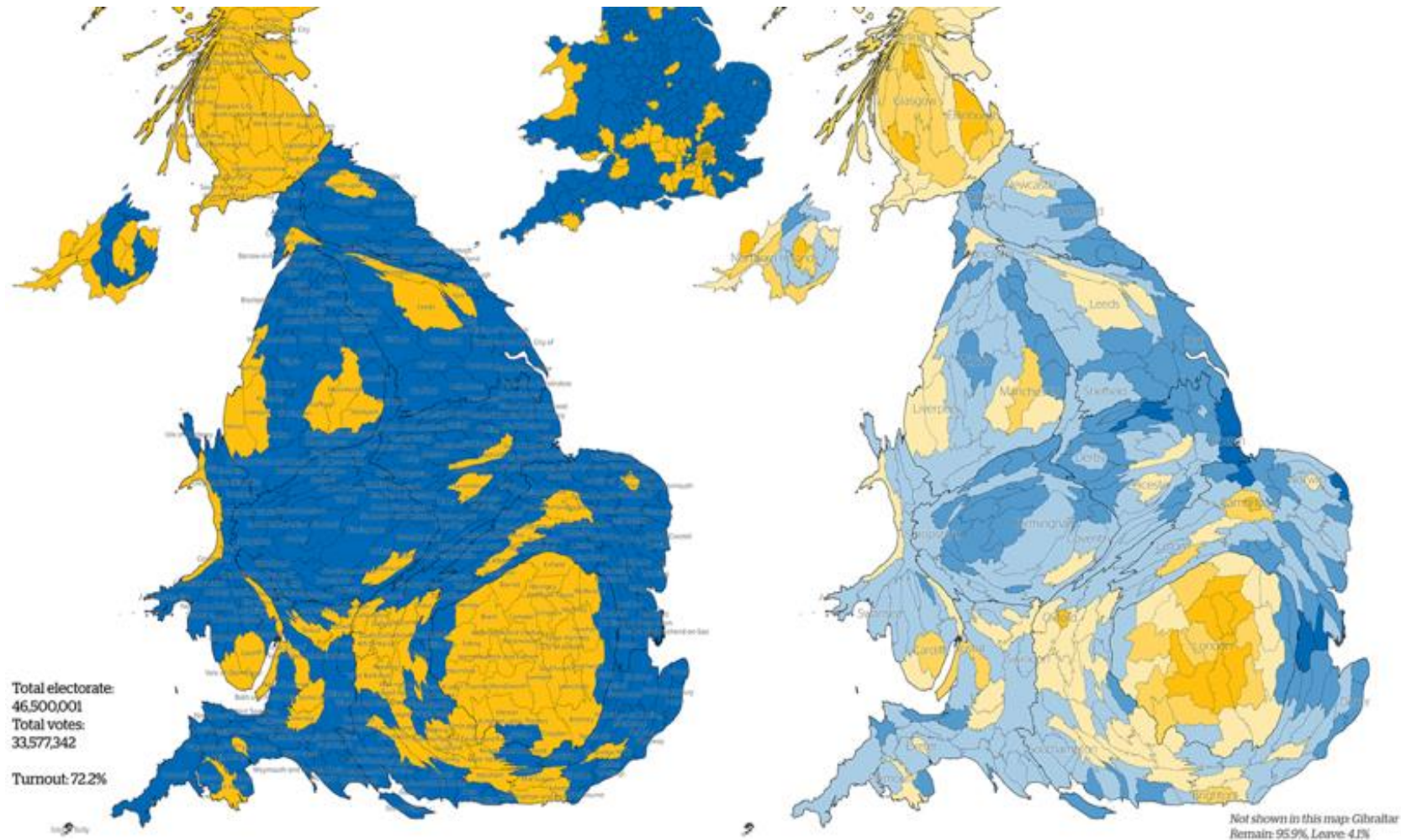


EU election voting by UK

Support for far right parties in EU

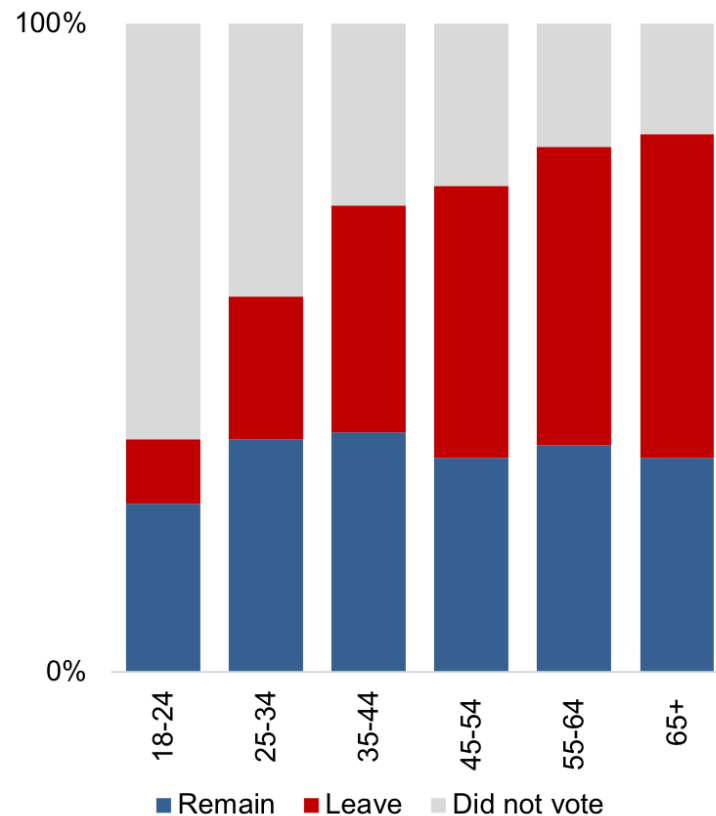


Areas which most often voted out were the areas with least immigrants



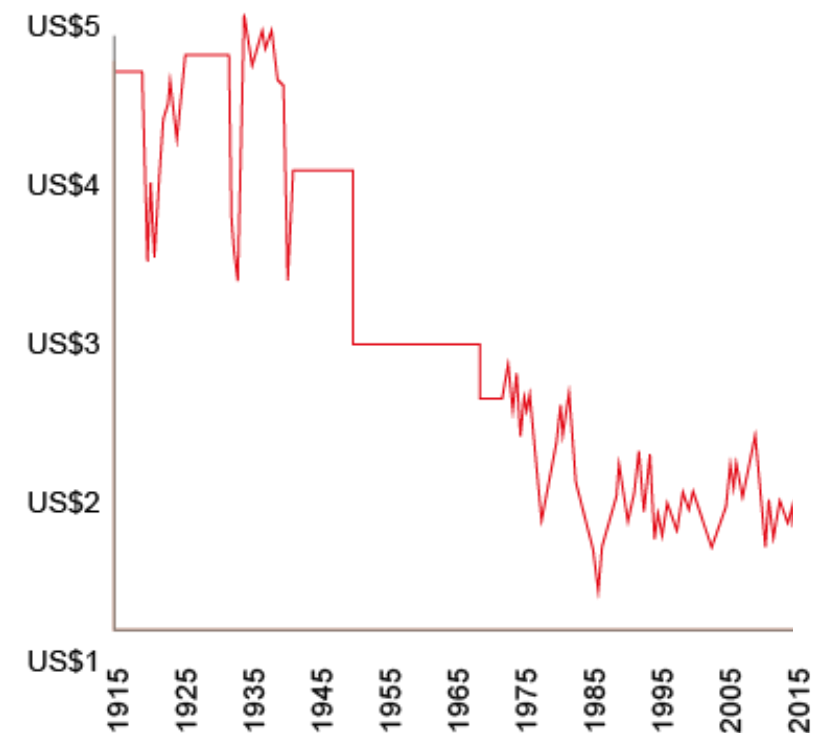
Who really voted for Brexit?

Voting by age group in 2016 EU referendum

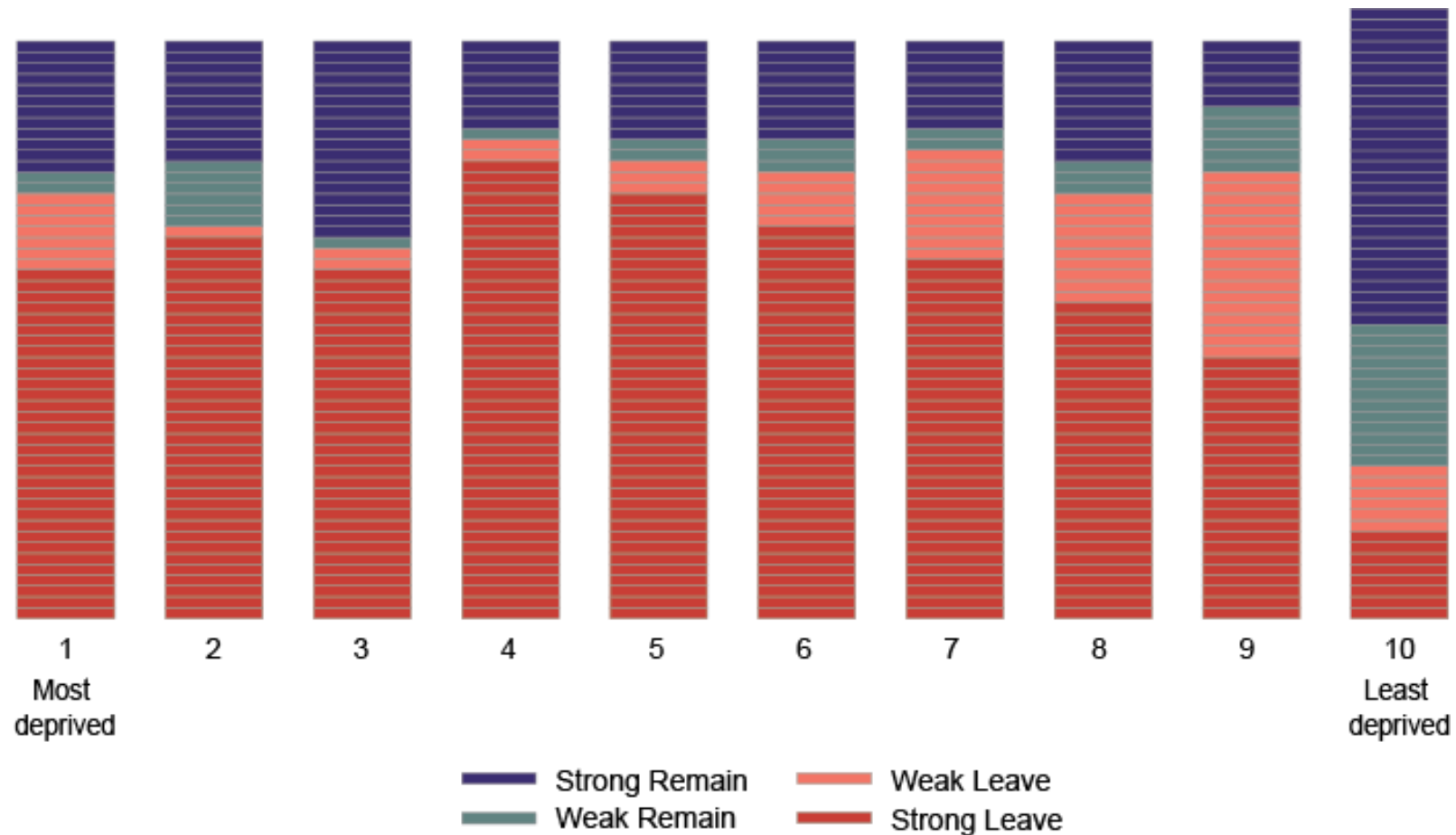


Source: Speed, B (2016) How did different demographic groups vote in the EU referendum? The New Statesman, June 2016

The fall of the empire in US\$/GB£ exchange rates...



Correlation between deprivation and Brexit vote by constituency

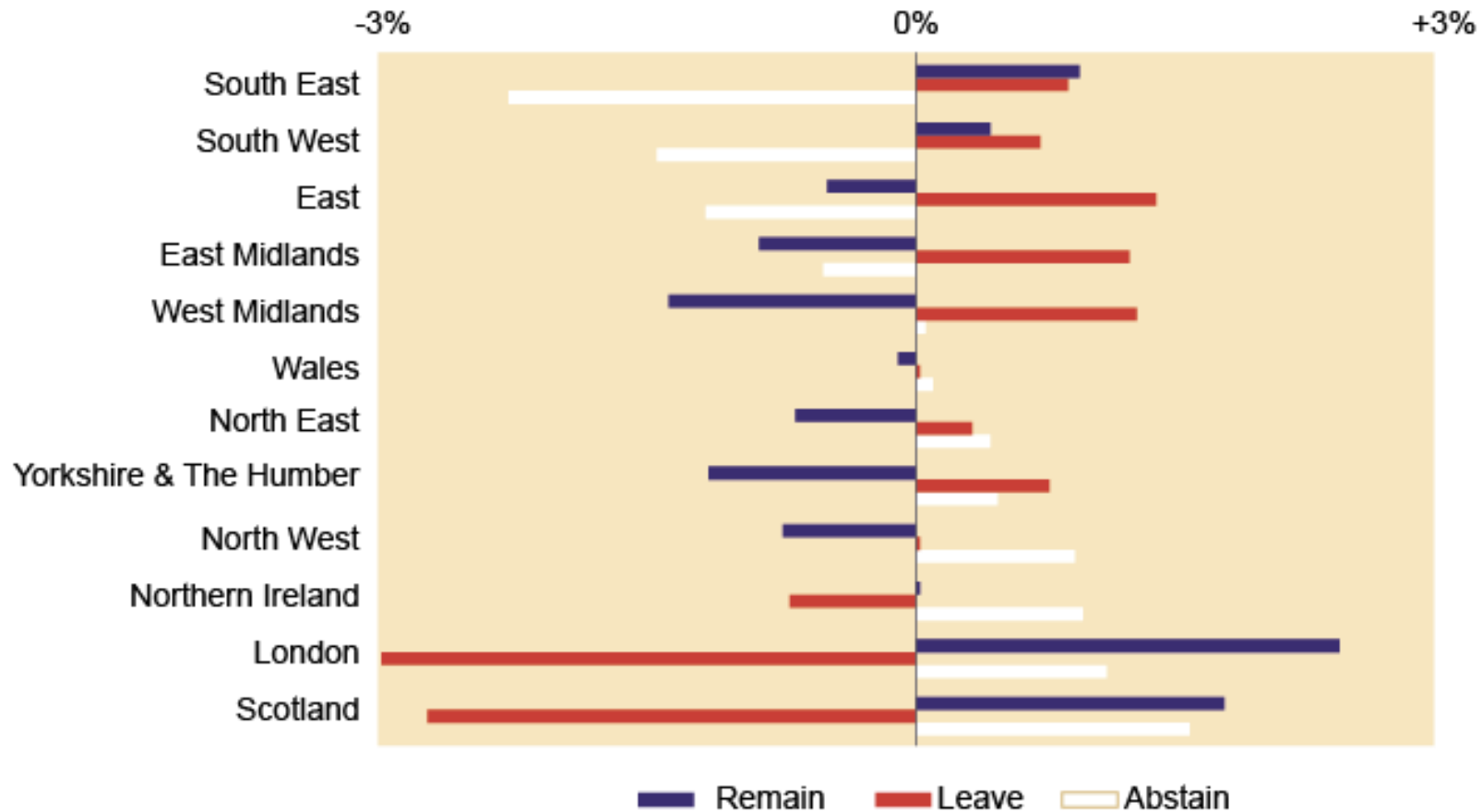


Source: Derived from original colour diagram by Daniel Watts using Chris Hanretty's estimates of 2017



Brexit voting by region

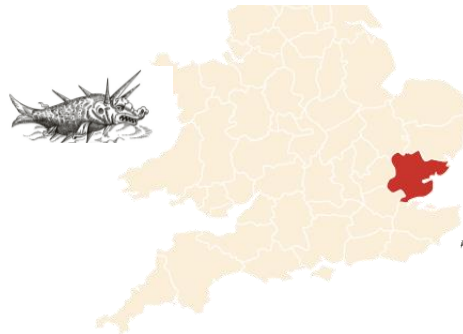
Deviation of the region's voting from its share of electorate



Southern discomfort

How the home counties voted compared to the rest of the country

Essex...



Kent...



Hampshire...



...had more leave voters than:

- Allerdale
- Barrow-in-Furness
- Blackburn with Darwen
- Blaenau Gwent
- Carlisle
- Cleveland
- Craven
- Copeland
- Hyndburn
- Knowsley
- Lancaster
- Lincoln
- Pendle
- Redcar
- Ribble Valley
- Richmondshire
- Rochdale
- Rossendale
- Rutland
- Ryedale
- Selby
- Scarborough

...had more leave voters than:

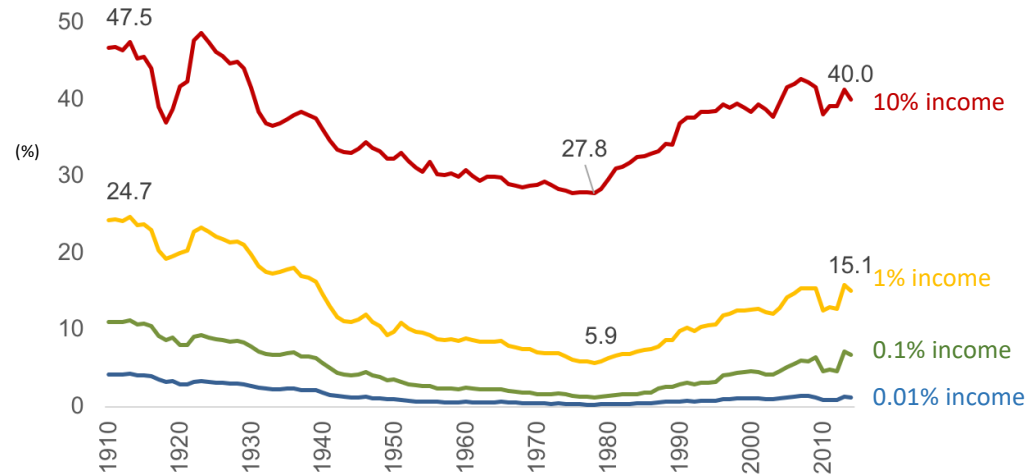
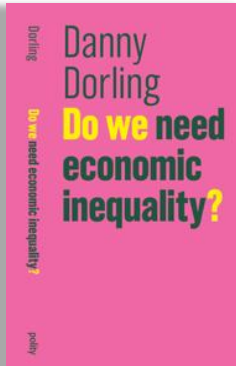
- Derby
- Blackpool
- Rotherham
- Sheffield
- Great Yarmouth
- Hartlepool
- Merthyr Tydfil

...had more leave voters than:

- Bolsover
- Doncaster
- Hull
- Chesterfield
- Salford
- Stoke-on-Trent
- Sunderland

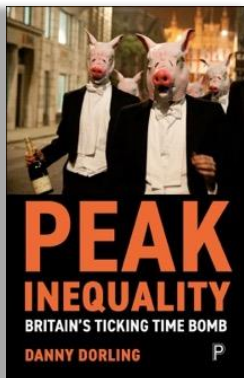
The fall and rise of inequality...

Despite closing the equality gap for 60 years after WW1...



Highest rise in inequality in Europe since the 1970s

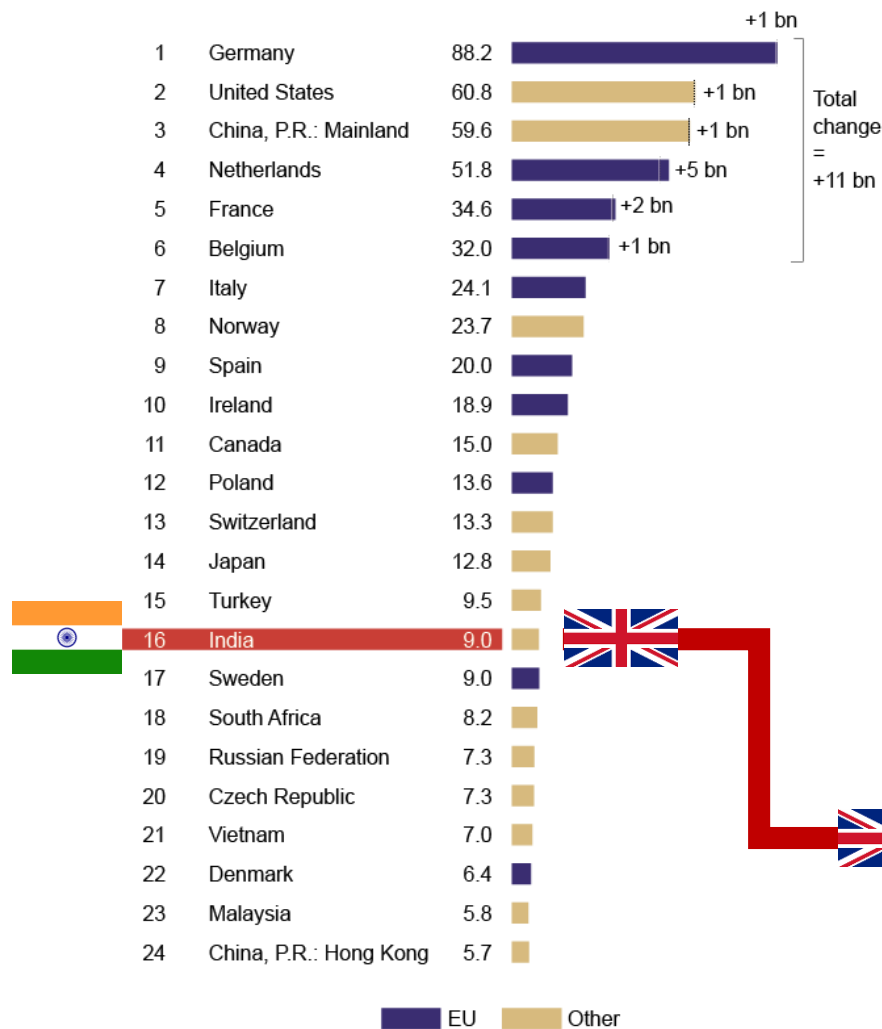
...we are among the most unequal OECD states in the world today



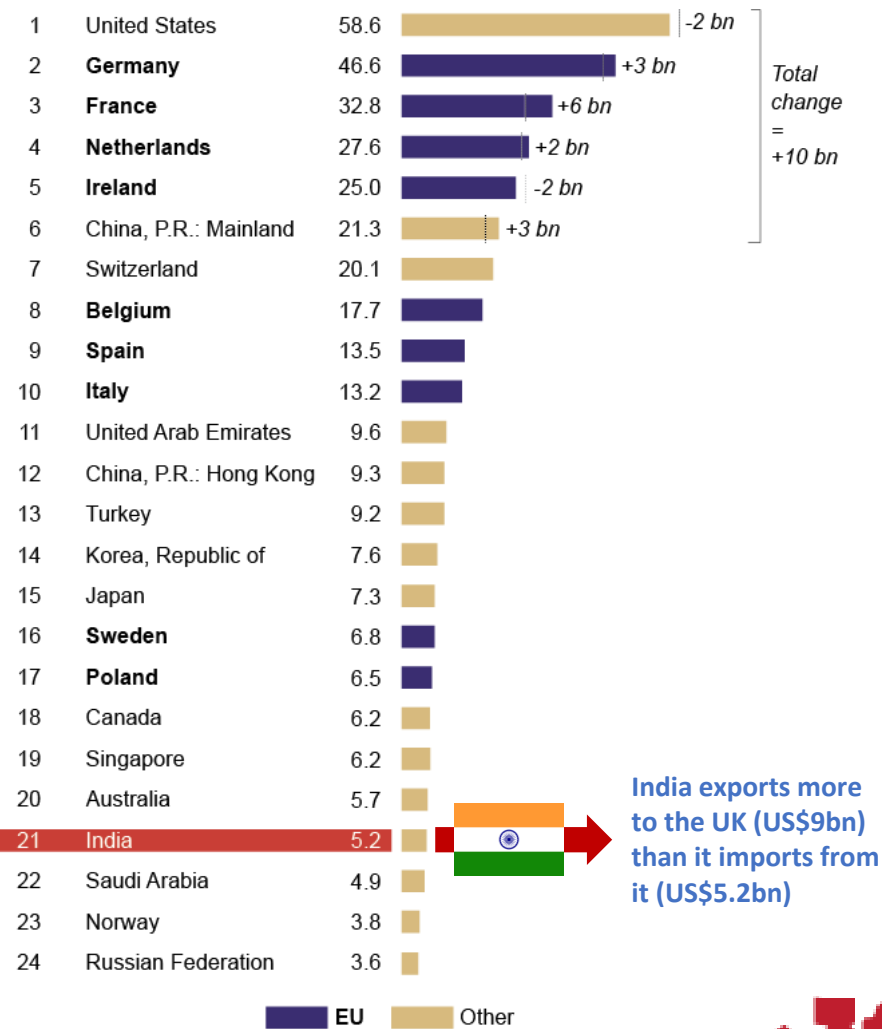
Gini Coefficient of income inequality, OECD countries, 2015

India exports to UK nearly double what it imports

Imports to UK (US\$bn) 2017



Exports from UK (US\$bn) 2017



India exports more to the UK (US\$9bn) than it imports from it (US\$5.2bn)

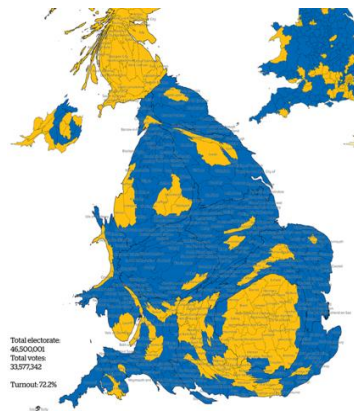
Correlation factors of Brexit vote

Regional correlation



Mathew Elliott (52%)
Chief Executive of Vote Leave (2015) -
helped found tax payers' alliance

“ Leaving would not entail a loss
of British influence on the
world stage ”



Brexit voters were "probably fat"



AN ACADEMIC has sparked a furious row by claiming Brexit voters were probably fat.

By SIMON OSBORNE

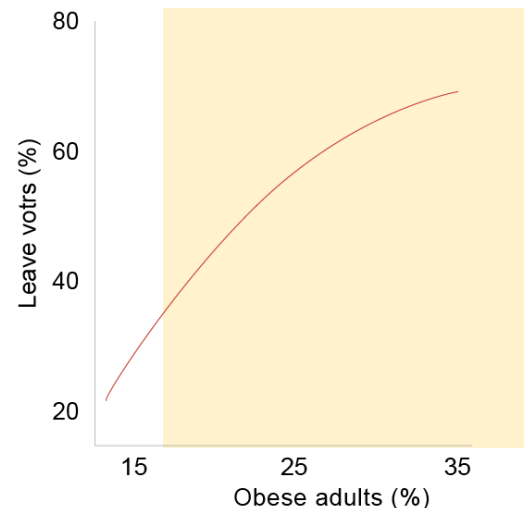
PUBLISHED: 18:07, Fri, Jul 1, 2016 | UPDATED: 21:49, Fri, Jul 1, 2016

SHARE f TWEET G+ 1K



Brexit voter Boris Johnson

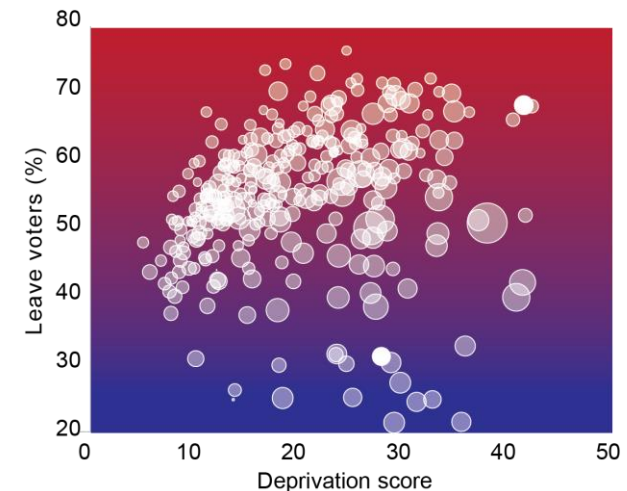
The jibe is the latest insult fired at leave voters already labelled "stupid" and "Little Englanders" on social media sites.



Deprivation correlation

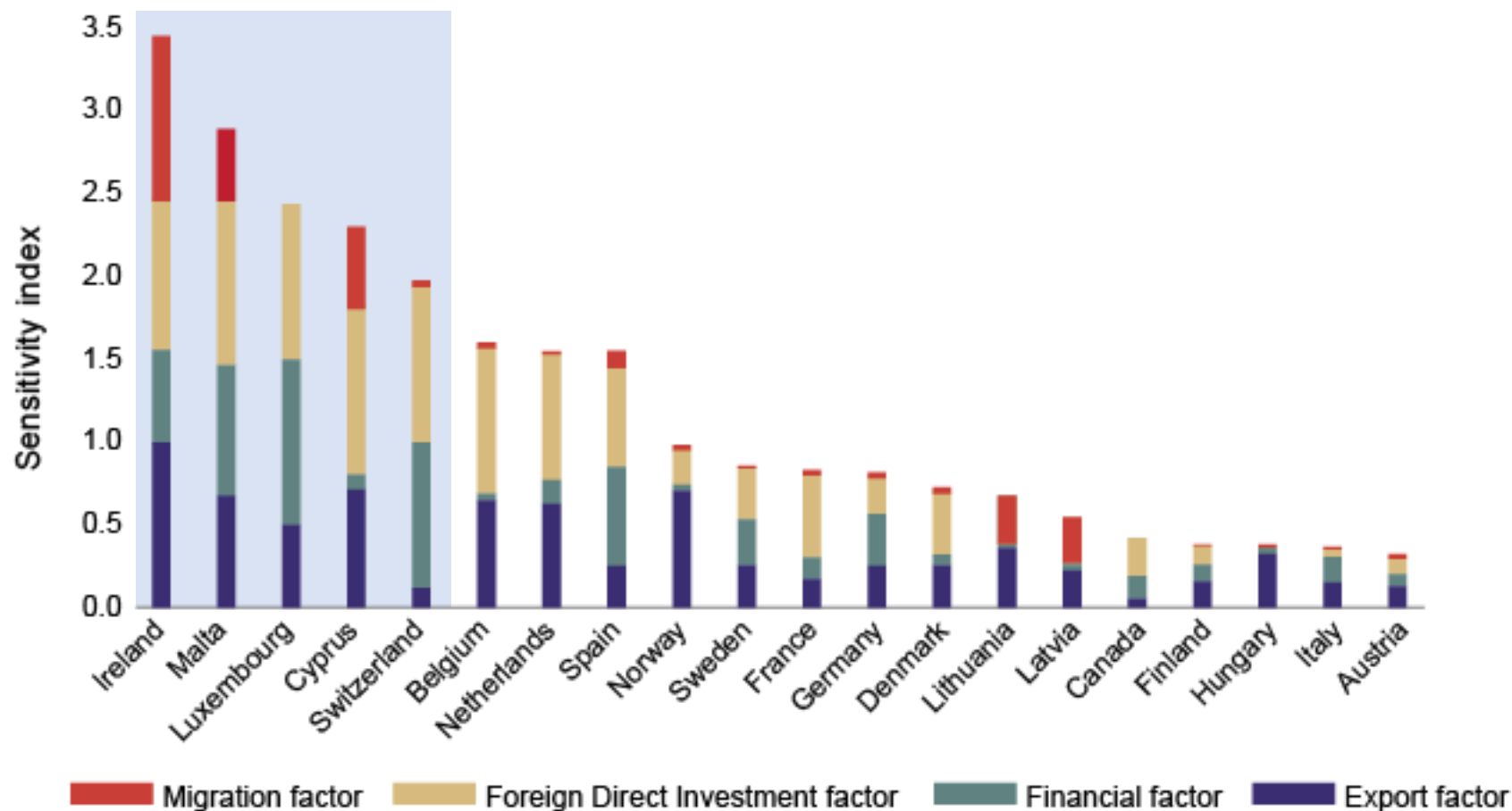


Dominic Cummings (52%)
Campaign Director of Vote Leave
(2015) 'We need leaders ...who can
feel Kipling's Kim'



Brexit sensitivity

Other than the UK, it is small countries like Ireland, Malta, Luxembourg, Cyprus and Switzerland that have most to lose post Brexit

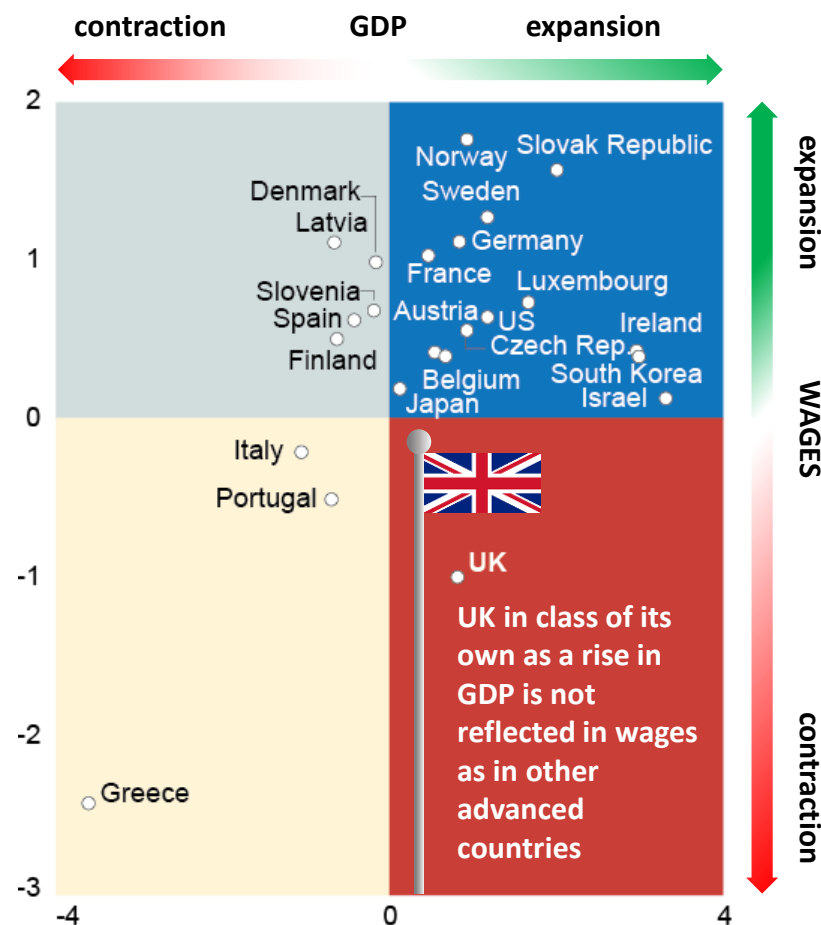
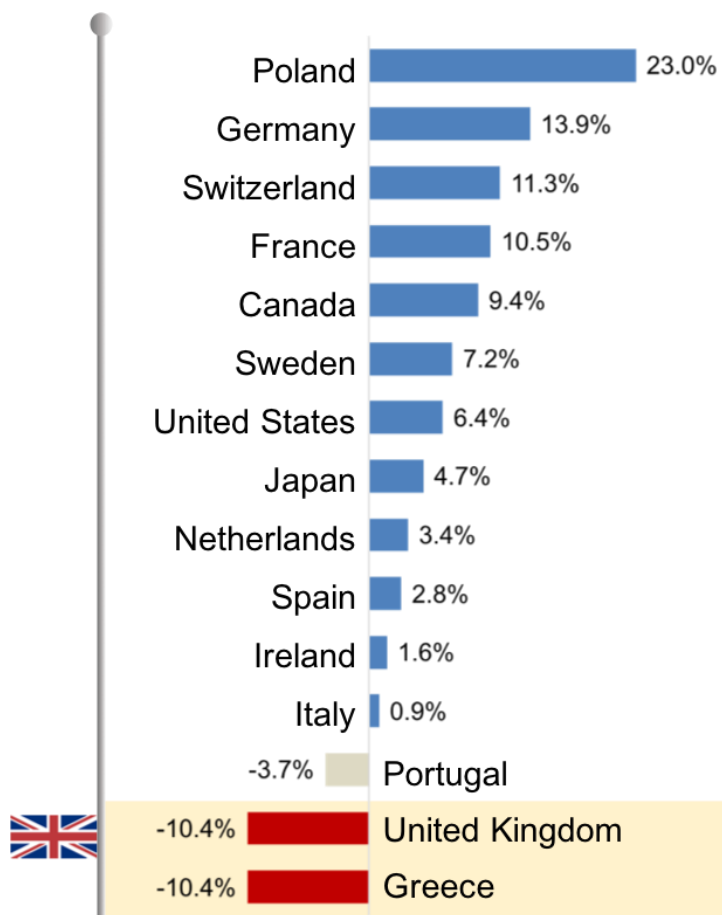


Source: Gill, F. and Sakhuja, A. (2016) Standard and Poor.

UK wages vs GDP 2007-15

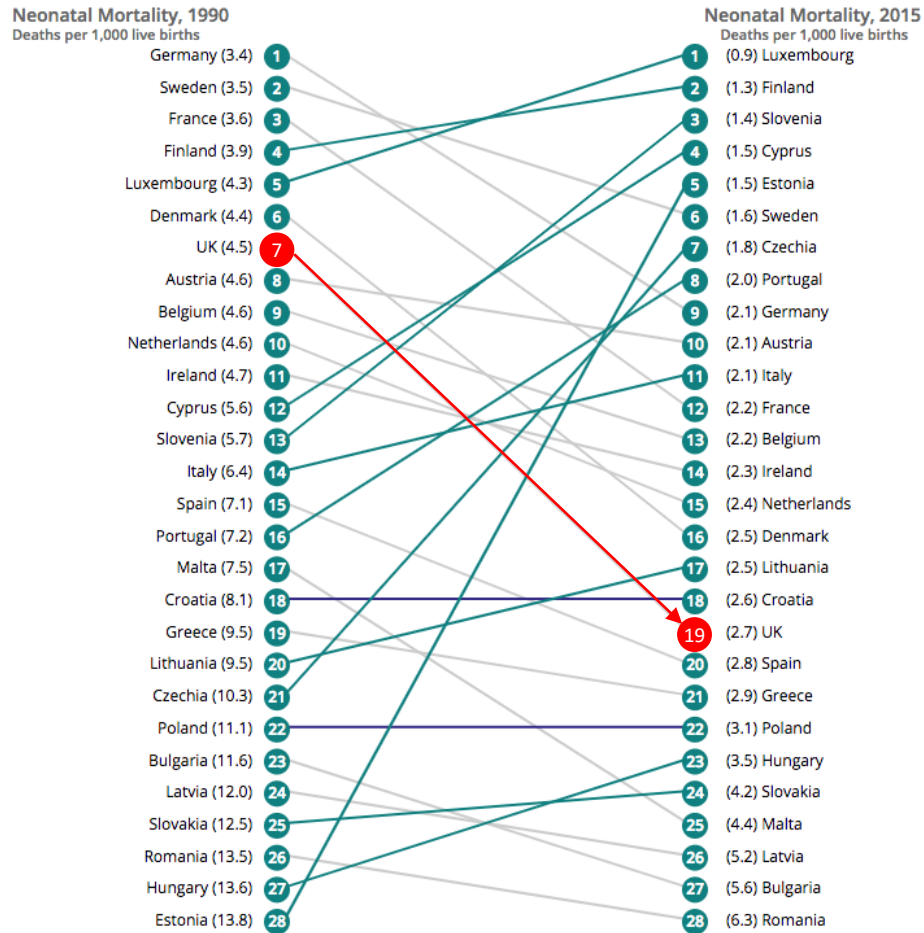
While UK wages were as low as those in Greece 2007-15 ...

... GDP in the UK grew YoY during the same period



UK health and living standards falling

Neo-natal mortality rates in EU 1990-2015

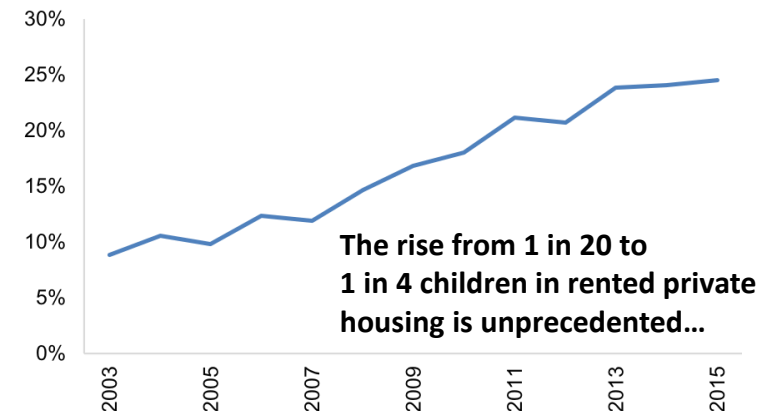


- In 1968 we were top rank in the world
- By 1990 we had fallen to 7th
- By 2015 we plummeted to 19th, falling consistently to 2017

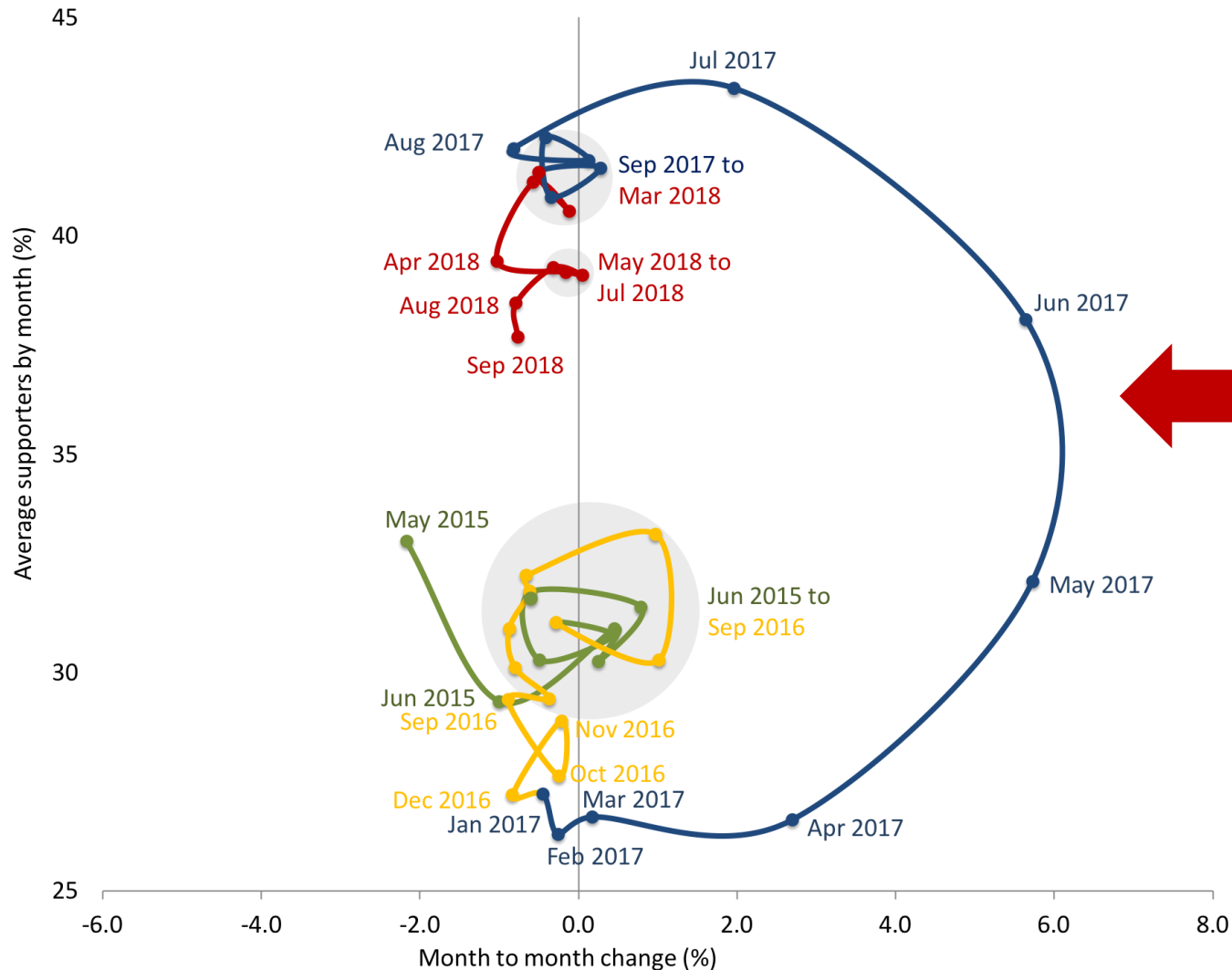
English mortality rate 2001-18 (%)



Households with children private renting in England 1984-2012

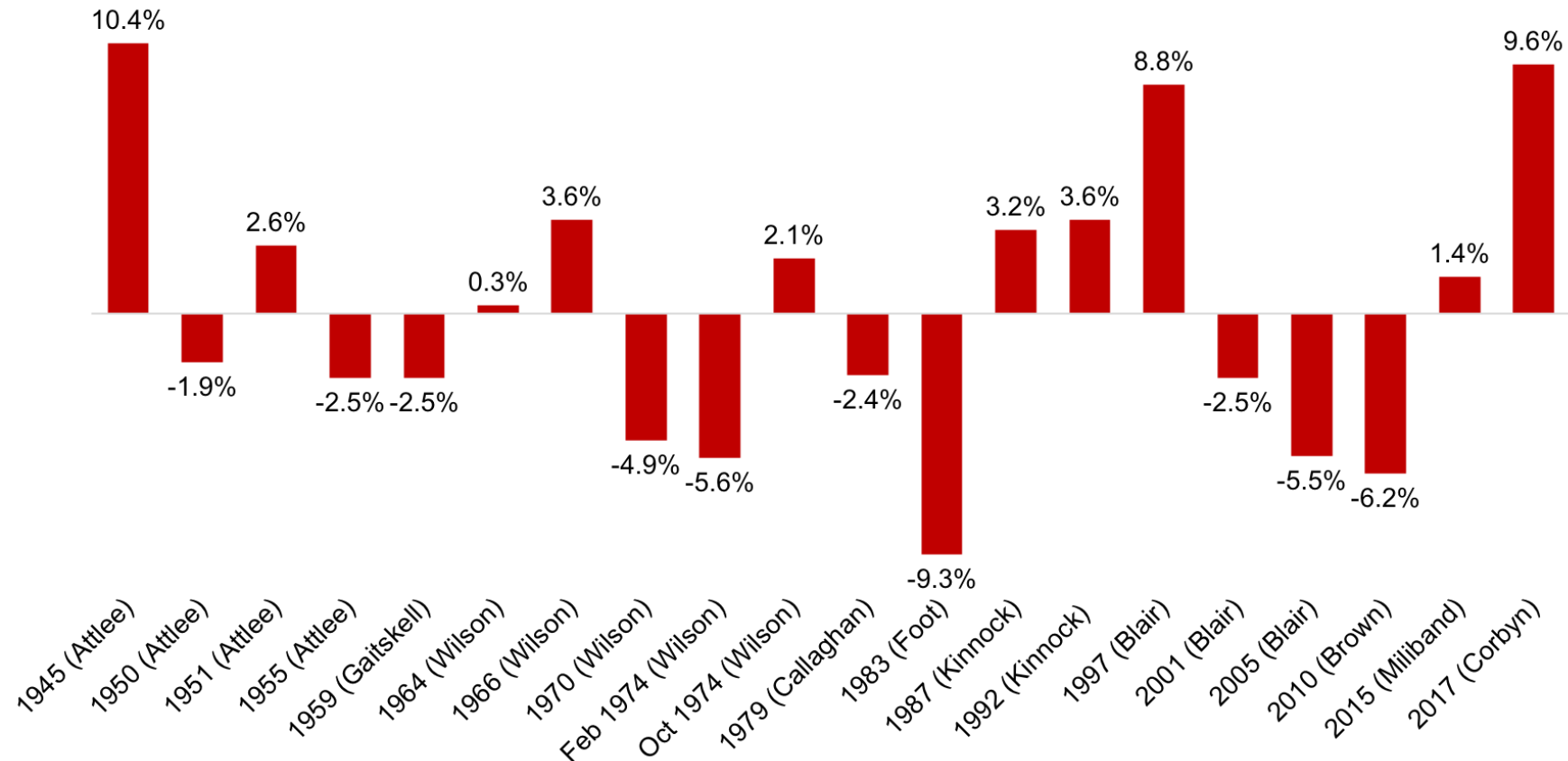


Share of Labour vote in UK opinion polls May 2015 to May 2018



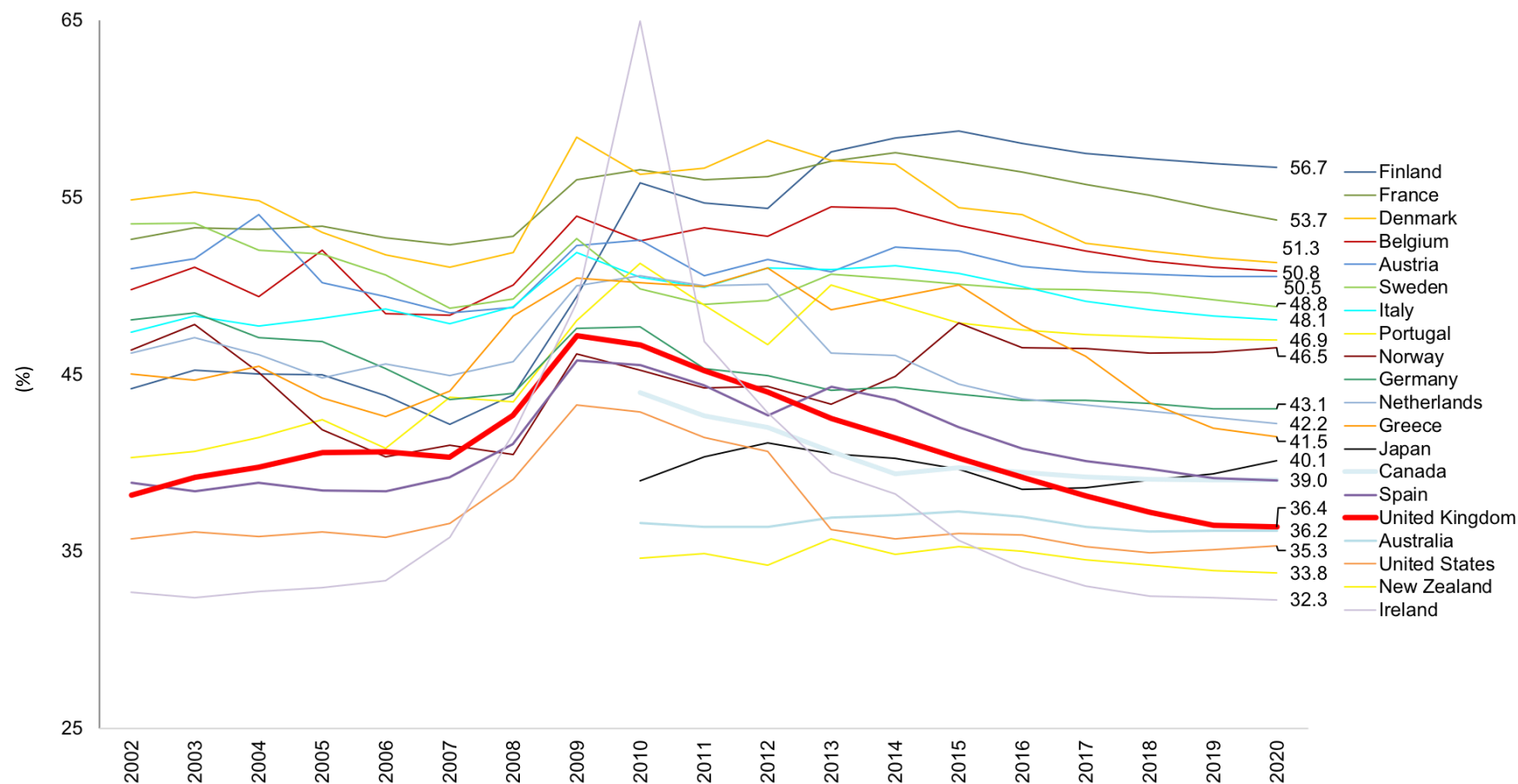
...but, given hope,
unprecedented fast
social and political
change is possible

Corbyn gives Labour biggest share increase since 1945



- Conservative share of vote rose by 5.5% in 2017, but the Labour share rose by 9.6%
- Swing after 2017 election as great as that in 1945 after 2 years rather than 10

State spending in the 20 richest countries as a proportion of GDP – some perspective



- The conservatives want to bring state spending down to 36%; Corbyn wants to raise it to 38%. This is still very low in the context of other rich countries

