**INTRODUCTION**

Why did Brexit occur? We have used Eurobarometer data to determine which individual characteristics were more likely to be associated with a “Leave” vote. When David Cameron won a second term as Britain’s prime minister in May 2015, the referendum on Britain’s fate, inside or outside of the European Union (EU), became a certainty. Although polls consistently suggested that the “Remain” side was ahead, on June 23rd a majority of British voters voted to leave the EU. The main question in the aftermath of the Brexit vote has been: what explains Brexit? Several theories have been advanced on which were the key determinants of such an outcome. We suggest that the Brexit vote has to do with cultural divide and the unease with which many citizens of the UK have taken on the recent social changes, especially immigration. Our hypothesis is that immigration has been the key factor affecting “leave” votes. More specifically, we contend that immigration towards the EU has been an important determinant in the decision to leave the EU, as a result of the recent surge in migration from new member states and the Tories’ decision to restrict access to benefits to EU migrants. The effect of EU immigration on attitudes against the EU is substantively and statistically significant, even after controlling for economic factors that might affect negative feelings towards migration. The effects of occupation and of one’s personal financial situation are not discernable from zero.

The first section of our paper contains an historical background on the relationship between the EU and the United Kingdom (UK), a brief overview of the run-up to the referendum, and the competing theories that might have motivated Brexit. In the second section of the paper the data and methods are presented. The third section contains the results and the fourth section concludes.

**BACKGROUND**

**Britain in the European Union**

Britain initially decided not to take part in the European Coal and Steel Community (ECSC) in the 1950s, however, it changed its mind at the beginning of the 1960s and was finally able to access in 1973 (Campos and Coricelli, 2015). In the early 1960s the UK started membership negotiations with the European Community, however De Gaulle vetoed the British application in 1963 first and in 1967 again. Finally, with De Gaulle out of power in France, Britain applied again for membership in 1969 and the UK joined the EC in 1973. One of the reasons why Britain decided to join the EU was the idea that membership would stop the country’s economic decline (Campos and Coricelli, 2015).

The UK and Ireland refused to agree on the abolition of passport controls within the European Union and were thus granted opt-outs from the Schengen Accord, which took effect in 1995 and abolished internal border checks and introduced a common visa policy within the European Union (Hix, 2005). Furthermore, in 1996 the UK, alongside with Sweden and Denmark negotiated opt-outs from the European Monetary Union (EMU) provisions of the Maastricht Treaty, claiming that they were concerned about losing national sovereignty and anti-EU feeling in their countries (Hix, 2005).

The UK has always shown the lowest support for EU membership, with the largest declines in support occurring in the last decade and the lowest levels of knowledge about the EU. The UK has been claiming that they do not receive as much as other states from the EU budget, however, they also contribute less (as a percentage of GDP) than other countries such as the Netherlands, Germany or Sweden (Hix, 2005). As a matter of fact, in 1980 the UK government under Margaret Thatcher negotiated a budget rebate (Hix, 2005). The UK was finally able to obtain this rebate in 1985, which consists of a reduction in the country’s contribution to the EU budget.

**The referendum**

Britain’s relationship with the EU took an unexpected and dramatic turn on 23 January 2013, when British Prime Minister David Cameron announced that in case of re-election he would hold a referendum on membership in the EU (Copsey and Haughton, 2014). The UK’s relationship with Europe has never been an easy one. As a matter of fact, no other EU member state has negotiated as many opt-outs as the UK and no other country has held a referendum on whether to leave the European Union (Copsey and Haughton, 2014). From 1973 to 2010 the UK relationship with Europe could be defined as ‘stable yet sceptical’ (Copsey and Haughton, 2014:76). However, with the election of David Cameron, things changed. In January 2013 Cameron announced that he would attempt to re-negotiate the terms of the UK’s membership in the EU and after this, if re-elected, he would hold a referendum on staying or leaving the EU. At the time the referendum was announced in 2013, all three major political parties (the Labour, the Conservative and the Liberal Democratic), were all favoring EU membership. Eurosceptic views were minority views, however, they were vocal. According to Copsey and Haughton (2014), these vocal minorities, were allowed to move from the periphery to the center of the debate, as they were not rejected or challenged. While the Europhiles have been for the most part silent, UKIP and the minority of Euroskeptics became more vocal.

When David Cameron won a second term as Britain’s prime minister in May 2015, the referendum on Britain’s fate, inside or outside of the European Union (EU), became a certainty. On 20 February 2016 David Cameron, who campaigned for the UK’s remaining in the EU, secured a deal with the EU, claiming that this would give the UK a special status in the EU. His requests covered four main areas: economic governance, sovereignty, competitiveness and immigration (the Guardian, 2016a; OJ C 69I, 2016; BBC, 2016). As far as immigration is concerned Cameron wanted a so-called emergency brake: a four-year freeze on in-work benefits for newly arriving EU migrants working in the UK. Cameron wanted this emergency break to last for thirteen years but he eventually settled for seven years, which corresponds to the time other countries were to exclude Eastern Europeans from their labor markets. Cameron also wanted to stop child benefits for migrants whose children lived outside of the UK. He had to settle for child benefits being indexed to the cost of living for children outside of the UK (OJ C 69I, 2016). In terms of economic governance, as a non-eurozone country, Cameron wanted to be able to protect the UK from further integration of the Eurozone, making sure that further integration would not disadvantage the British economy and that non-eurozone taxpayers would not be responsible for bailing out Eurozone member states. Furthermore, he asked that further financial integration not be imposed on non-eurozone members. In the final agreement, it is recognized that the EU has more than one currency, non-eurozone countries will not be responsible for the bailout of Eurozone member states, however, they cannot stop further integration. Moreover, it is specified that “the single rulebook is to be applied by all credit institutions and other financial institutions in order to ensure the level-playing field within the internal market” (OJ C 69I, 2016). As far as sovereignty is concerned, Cameron wanted to end the UK’s commitment to an ever closer union. The EU accepted that the UK is not committed to further political integration into the EU and introduced the possibility to stop undesirable EU law if a majority (55%) of states agree. Finally, on competitiveness the British prime minister wanted to end excessive regulation and reform the Common Agricultural Policy and Structural Funds. On this demand, Cameron actually got even more that what he asked for (OJ C 69I, 2016).

**EU immigration and benefit tourism**

The cornerstone of European Union citizenship is the freedom of movement and residence within the EU borders (European Parliament, 2016). The right to free movement and residence is mainly regulated by Directive 2004/38/EC. Article 7 of the Directive 2004/38 provides that all EU citizens have the right to move and reside in another Member State as workers, self-employed or students or if they ‘have sufficient resources for themselves and their family members not to become a burden on the social assistance system of the host Member State as well as comprehensive sickness insurance cover in the host Member State. Using entitlements deriving from free movement cannot be seen as an abuse and as such be punished with expulsion. Furthermore, Regulation 883/2004 on the coordination of social security systems across the EU establishes that EU citizens have the same rights and obligations as nationals of the country where they are covered. As a result, this has raised concerns over so-called benefit tourism, whereby people would go to another EU member state with the sole purpose of claiming benefits, abusing free movement and taking advantage of social welfare systems.

In April 2013 the ministers of the interior of Austria, Germany, the Netherlands and the United Kingdom sent a letter to the Presidency raising some concerns as regards the free movement of EU citizens within the Union. In March 2013, the British Prime Minister David Cameron announced his government’s intention of curbing access to welfare for non-British EU citizens, in view of the difficulties in providing benefits for all. The position of the British Government is shared by the Netherlands, Germany and Austria, which are also concerned at the situation which will arise once full freedom of movement is enjoyed by Romanian and Bulgarian citizens who will, at the end of the transitional period in 2014, be entitled to seek employment outside their own countries. In June 2013 the European Council invited the Commission to issue a report on the implementation the free movement rules. The Commission informed the Council that, according to the provisional data transmitted, there is no factual evidence of widespread abuse of the right of free movement and no evidence of large numbers of EU citizens claiming social benefits and social assistance in other member states (European Commission, 2013). Both the European Commission study and recent studies from the Centre for Research and Analysis of Migration find that workers from other Member States are net contributors to the public finances of the host country (The Migration Observatory, 2016). In his immigration speech, on November 26 2013, David Cameron announced government plans to make it harder for immigrants to claim social and housing benefits in the UK (Cameron, 2013).

**What explains Brexit?**

The main question in the aftermath of the Brexit vote has been: what explains Brexit? Many theories have been formulated as to which factors are more likely to have determined such outcome. One popular explanation for Brexit has to do with cultural divide and the unease with which many Britons have dealt with social changes in the UK in the past decades, especially regarding immigration. Ipsos Mori surveys found that two weeks into the campaign immigration had taken the place of the economy as the one most important factor driving the leave vote (the Guardian, 2016b). Lord Ashcroft’s election day poll also found that 33% of leave voters claimed that the main reason they were voting “out” was that “leaving offered the best chance for the UK to regain control over immigration and its own borders” (Lord Ashcroft, 2016). Others suggest that attitudes for Brexit are more likely to be associated with the economy, more specifically, people who feel economically left behind are more likely to vote “Leave”.

We hypothesize that immigration has been one leading factor in affecting “leave” votes. More specifically, we claim that immigration towards the EU has been a key determinant in the decision to leave the European Union. In the years before the referendum, immigration from the EU has increased considerably. Although the flow of immigration to the UK is almost equally divided between non-EU and EU immigration (ONS, 2016), the former do not have access to same benefits as the latter. David Cameron’s stance on the issue and his announcement that the UK government would make it harder for EU immigrants to claim benefits, may have reinforced this narrative that EU immigrants were welfare tourists, regardless of evidence suggesting otherwise. In order to discern whether negative attitudes towards immigration are actually a proxy for economic factors such as unequal distributions of a country’s resources as a result of migration, we control for economic variables, such as one’s personal financial situation and occupation. We also control for attitudes towards globalization, left-to-right positioning on the political and other socio-demographic characteristics such as education, age and gender.

**DATA AND METHODS**

We use Eurobarometer data from May 2016 to analyze what variables might have determined the victory of the “Leave” vote. Our dependent variable is “Better future for (my country) outside of the EU”, which closely taps support, or lack-thereof, for Brexit. It is an ordinal variable with four possible outcomes: “Strongly agree”, “Agree”, “Disagree”, “Strongly disagree”. Our covariates of interest are “Feeling towards EU immigration” and “Feeling towards non-EU immigration”. They are both ordinal variables with four outcomes: “Strongly approve”, “Approve”, “Disapprove”, “Strongly disapprove”. Our controls include: “Financial situation of the household”, which is an ordinal variable with the outcomes “Very good”, “Rather good”, “Rather bad”, “Very bad”; “Globalization is an opportunity” with outcomes “Totally agree”, “Agree”, “Disagree”, “Totally disagree”; gender (1 male and 0 female); age; education years, which measures the age at which a person finished education; “left to right scale”, which goes from 0 – extreme left to 10 – extreme right; and “Occupation scale” which is a factor with 8 levels: self-employed, managers, other white collars, manual workers, house persons, unemployed, retired and students.

We use an ordered probit model:

Where is our ordered dependent variable, “Better future outside of the EU”, indexes cases, indexes categories of the response, τ is a + 1 vector of cutpoints with = −∞, = 0, and = ∞ for identification, is a vector of our covariates of interests and controls, and β is a vector of coefficients.

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