The QoG Podcast
Ep 9, Simon Hix: The political system of the European Union

Victor Lapuente:
Welcome to the podcast of the Quality of Government Institute where we have conversations with well-known experts who try to make sense of politics and governments all over the world. Today in the podcast we have Professor Simon Hix, who currently holds the Stein Rokkan Chair in Comparative Politics at the European University Institute in Florence. He has studied and studies diverse topics, among other political behaviour and institutions, the European Union, not only diverse research interests, but he also uses different methodologies – quantitative and experimental methods and also historical, political science and political economy. So, Simon, thank you very much for being here.

Simon Hix:
You're welcome.

Victor Lapuente:
Last year you released the latest edition of your bestselling core textbook *The political system of the European Union* with Bjørn Høyland, and I would like to start with that, and something connected with the current issues in foreign politics. You, depart from the observation that the European Union now possesses many of the attributes of modern political systems, but now these days we have seen how the relationship with China is going on and we see not only two Europes but maybe different Europes; one that represents von der Leyen more aligned with the US, on the other hand we see Macron trying a more European approach or more friendly approach to the relationship with China, so overall in particular, how the current political system of the European Union can handle this foreign affairs issues in general, and in particular the rise of China, and how can the EU navigate a multipolar wall with a strong coherent foreign policy that we would associate with a nation state?

Simon Hix:
Yeah, I mean, it's a great question. I mean, if we take a step back a little bit and think about how we understand state formation and state power, or particularly how you know loose confederations of states end up forming federal unions, what we normally think of in political science is that it's major external threats that force groups of states to come together and form unions. I mean, that's the standard sort of story from William Riker and in a sense, you know, the EU or Europe has faced a series of major external and existential threats over the last, decade or so, when we think back to, the asylum crisis, we think back to the 2008 financial crisis, then the refugee crisis and then the COVID and the EU's common response to COVID with common purchasing of vaccines. And now, of course, most recently the Ukraine crisis and Russia's threat to Ukraine, which in a sense is an existential threat to all of Europe and of course, you know, alongside all of these things we've seen the global rise of China and fundamental changes in global geopolitical world.

So all of these factors I think are pushing Europe slowly and steadily towards more integration, integration of more policy powers and policy competences at the European level, and we're seeing in public opinion data across Europe, growing support for more European action on environment policy, climate policy, health policy, post COVID, common immigration policies in response to the refugee crisis, common economic policies in response to the economic crises and now common defense policies in response, particularly to the Ukraine crisis and common industrial policies in response to growing industrial competition from China and also industrial competition from the United States when we think about what the Biden administration has done with its recent interventionist policies to promote economic transition economy for new green technologies and people are saying why shouldn't Europe be doing the same?

It's a big challenge to Europe potentially losing investment or capital flight to the US because of the new environment that the Biden administration has created in the US for those sorts of developments so that's all pushing in one direction. On the other direction, of course, is the fact that Europe is still a series of states and some of these states are more powerful than others, particularly when it comes to foreign policy instruments. And of course, France is the only nuclear power in the EU after the UK has now left with Brexit so France in a sense is saying, you know, yes, we want more Europe, but on the other hand, France is very conscious of the fact it's the only EU state with a seat on the UN Security Council. It's the only EU state with nuclear weapons and France is not going to give up either of those two things very quickly. So, this is where the sort of tension lies.

I do think gradually we'll see Europe building more and more common instruments and there's always this tension between the Heads of Government of the big member states and the Commission President because, you know for the first state, for Europe to really become more like a quasar nation state or a genuine federation, it needs to have a single executive power. I mean, that's one of the things that really defines a state is a single locus of executive power. And that's not the case with the EU. There's multiple loci of executive power, there's the Commission on the one side, and then there's, in a sense, the Heads of Government of the member states on the other, and this tension has always been there, and we haven't yet reached a situation where the Heads of Government are really willing to give up significant power to an EU president.

I mean we saw gradually, new initiatives to try and create a democratic competition for the choice of the Commission President, with the Spitzenkandidat process which arrival candidates for the Commission President ahead of European Parliament elections and some people thought this would be the beginning of the democratisation of the choice of the most powerful office in the EU and through that process of democracy you could gradually see a sort of inducing effect as Habermas would have called it, democracy would gradually evolve endogenously, and power would evolve endogenously in a sense. If you look at the United States, the President formally speaking, is a very weak figure. You know, if you actually just read the rules of the Constitution, the President is a weak figure. Why is the President in the US so powerful? It's because of the election. It's because the election gave the President this powerful mandate. So could you have an election in Europe that gives the Commission President that powerful mandate and people thought that maybe that Spitzenkandidat of that process would be the beginning of that. Of course, the Heads of Government from the big member states were sitting on the other side saying we're not quite ready for this yet, and so they've not allowed this to develop. And I think that really epitomises the tension between the EU having a single powerful executive versus the Heads of Government who have an interest in constraining the EU.

Victor Lapuente:
Yeah, you say now that the public in Europe favours more policy integration, but probably as you mention as well, we cannot do it without more political integration, without more political debate, with an more integrated party system. In one of your most influential works in 2013 when you wrote *What's wrong with the European Union and How to fix it,* you contend that what the European Union needs precisely is more open political competition, because this will promote policy innovation, foster coalitions across different institutions. And you argued then, I don´t know now that's a question, that the EU was ready for this challenge because there have been several institutional reforms since the 1980s that transformed the European Union into a more competitive polity with political battles are coalitions developing inside the European Parliament and we could see that those were actually merging. In that work, you said that we should not be afraid of that conflict because you said the more political conflict implies risk, obviously, but you recognise that there were risk, but those risks were low because the EU has multiple cheques and balances and that's true you cannot have like the US, even more than the US obviously the executive much more

limited. And you argue that the potential benefits are high because more open politics could enable you to overcome policy grid, law can rebuild public support and obviously reduce the democratic deficit. Is that the case nowadays? Do you still hold that?

Simon Hix:
Have I changed my mind?
No. I would still like to see this happen. I'd still like to see more open, transparent, transnational European politics evolving. In fact, if you go to Brussels and you work in the Brussels bubble, in the Parliament or the Council, the Commission, you see this already, but it's not transparent to the public at large, right. So you see a sort of centre left, liberal left coalition of politicians and parties in the governments, in the Parliament, in the Commission and the Council - Social Democrats, Greens, Liberal left and so on, who have a certain agenda for what they want Europe to do, and we have a sort of coalition of central right forces EPP and some free market liberals and what they want to do, and gradually also you're seeing a more sort of nationalist, populist Europe, which is increasingly represented in the in the EU institutions, partly by in the European Parliament. There's been those anti European forces for a while, but increasingly we're also seeing that represented in the governments.

Of course, the PAS in Poland, Orban in Hungary, and now Meloni in Italy, Meloni, of course, is tackling very much at the center, but I think she articulates very much what we want is a Europe of nation states rather than a more federal integrated Europe, so you see and you witness that sort of battle between different political forces going on in Europe. It's not transparent to the public, and so that's largely because, of course all politics is local and in this sense politics local means at the nation state level. The irony is, you know, Europe is an upside down political system, since there's lots of powers in Brussels but all the politics is at the national level and what I was trying to do was try and work out ways or think about incentives to try and shift that to start to make more politics at the European level. So I still hope that's the case but I think what I underestimated when I wrote that book a decade ago and you know, I'm still thinking about whether or not I should write a second edition? So maybe?

Victor Lapuente:
You should I think.

Simon Hix:
And what I think I underestimated was the resistance of national governments, the resistance of the people who come to power at the national level and their sort of, the self-interest that they have and primarily politicians are interested not in policy they're interested in power. If they were interested in policy, if they really cared about policy, if they really cared about how to make the world a better place for our corner of Europe, they would give up more powers to Brussels, because it's pretty clear that's what we need now in a global lighting world.

But then the reason why they don't do it is that it would limit their own power. I mean Brexit, of course, is the epitome of this sort of case. And the whole, the mantra in the UK of take back control, it became pretty clear that that was basically Westminster politicians saying what they wanted was to bring back control to Westminster. It wasn't about the British people taking back control, it was about them as national politicians taking back control. That was what was motivating them very much. And we see that very much across Europe and particularly in the bigger member states, and I worry Germany in a sense has shifted away from where it was a decade ago and I see growing sentiment in Germany - German politicians and German political elites that they want to take back control, not in the same way as the UK, but in terms of resisting the sort of gradual shift of powers to Brussels and resisting increasing the powers of the Commission President and so on. After all it

was Merkel and the German CDU who scoped the Spitzenkandidat at the last European elections. We ended up with Ursula von der Leyen, it's a German politician, she was not a candidate ahead of those elections. And so there's a big question mark I think, about whether the open competition or the open contest for a Commission President is actually going to take place ahead of the 2024 election. If it doesn't, I think that's a major step backwards for democratisation of the EU.

Victor Lapuente:
It's very interesting what you say between this contrast in the European Union. That you are in Brussels you see the good side, but then you move outside Brussels and you see these 20–30 percent of members of the European Parliament who are populist, far right nationalist, and how this debate has poisoned national debates in basically all European countries, so you have more obvious, more explicit enemies of the European project nowadays.

And also I agree with your pessimistic view you're saying now about the evolution of Germany and so on. But I think from your work, we can also distill more optimistic, and I would like to ask you about this, about the image that we have normally from outside the European Parliament is really a confusing one and depressive like with unprecedented number of Eurosceptic members of the European Parliament. But you have in a recent paper with several co-authors, you find actually that the general view of the European Parliament is that it is a very diverse, and let's say even chaotic, multidimensional space with left right dimension, but also in that this left right can be divided into economic and cultural issues. And also a pro and anti European dimension.

So kind of confusing and fragmented political scenario, but what you find, and correct me if I'm wrong, is, I wouldn't say it's more optimistic but at least you show more order pointing out that actually, and I would like you to share with us a little bit here, what surprised you about those results? To me, obviously it was very surprising that you find that many of the preference of these members of the European Parliament are actually aligned along a single dimension.

Simon Hix:
Yeah. I mean, in several different projects that I've worked on, whether we look at public opinion, whether we look at national political parties, whether we look at the preferences of the MEP or whether we look at the voting behaviour of the MEP's, I think we're gradually seeing the evolution of one single dimension of European or EU level politics, if you like. I used to think there was a sort of economic left, right, and a social cultural, liberal conservative, dimension and a pro and anti European dimension. But what I think we are increasingly finding is they're all lining up. Now where we're getting a sort of moderate left which is economically interventionist, socially liberal and pro European, and we're getting a sort of economic right which is more socially conservative and more eurosceptic, and there are the sort of two dominant forces in Europe. There's other dimensions and other force in Europe, that's the dominant structure, I think of politics and if you picked anyone in the public in Europe and you ask them what their preferences were in economics, you could predict their preferences on those other two dimensions. If you ask a political party in Europe where they're located on economics, you could predict where they're located on the other dimension. And it's the same increasingly with the MEP, and we've seen it with the voting behaviour of the members of the European Parliament, in fact I was just reviewing a paper for a journal where they've looked at roll call voting in the Parliament, updating our research and they find exactly that result, they find a new single dimension of voting in the European Parliament, which is mirroring what we found in the paper you were referring to, which is about the preferences of the MEP and so.

On one hand you could say that's good because we see a clarification of a kind of complex space into one dimension. On the other hand. It could be potentially problematic for Europe. Because if you think about, say, the center left getting a majority at the European level, the center right is then

going to become more and more eurosceptic. Or if you have said a right come to power, they're not going to promote more European integration. Having one dimension makes it difficult for you to build coalitions across the divide that you'd like and so that's the concern that I have when you think about American politics. When we think about the left in America is pro the US Federal Government, the right in America is pro the states, in a sense we're getting the same kind of politics in Europe. Why is that? It's because people on the left generally like the state, they like the state to intervene. They like the state to regulate markets, they like the state to redistribute wealth, they like to state to enforce rights and protect rights.

Whereas the right tends to say we, we'd rather you know, we don't want the state to intervene, we'd rather have social freedoms and we'd rather decentralise decisions on questions like social questions about family or gay rights or things like that. Why should Europe interfere in these questions? So you can see the same sort of politics we've seen for 60 or 70 years in the United States, if you roll back to the new deal, I mean, William Wyckoff, I mentioned already one of my favourite US political scientists, famous scholar of US federalism. He was, of course, not writing about Europe, but I find a lot of what he wrote about US federalism very applicable to Europe and he was writing about how in the 1970s, in the United States, if you were on the liberal left, it was rational for you to be in favour of the Federal Government and if you were on the free market, right, it was rationale for you to be opposed to the Federal Government. And I think we're gradually seeing that sort of politics emerging in Europe, in terms of attitudes towards the EU.

Victor Lapuente:
Yes. On the other hand, that's challenging, the prediction of many, I mean, many, many scholars were saying what we see in Europe is actually the far right, like Le Pen, moving left in politics, defending more welfare state, of course is a welfare chauvinism. But moving, and let's say replacing the socialist or even the communist so. Or is that a fake movement? We sit with Meloni, for example?

Simon Hix:
Yes, exactly. The populist radical right in so many countries in Europe are actually moving left on economics. I think there's a limit to how far they will move though. And I think there's several reasons why. I think one is the core supporters of them are a sort of lower middle class, petty bourgeois shopkeepers and small businessmen, which is in a very fragmented free market economy, is actually quite a large social milieu. You know, skill, working, class, plumbers, electricians, taxi drivers and so on. Plus also you know small business owners. So what they don't like is they don't want the state necessarily to, they want the state to provide basic services, but they don't want high taxes, right? So that is very different to the sort of liberal left supporters who tend to be in the public sector, where you know there they want the state to provide generous public pensions, they want the state to provide general public, generous public services often which employs them and so on. So there's a limit to how far the sort of populist radical right will move on economics. They tend to be anti free trade. That's true, and they tend to be in favour of the state providing generous pensions and generous healthcare, but they don't tend to be in favour of higher taxes or expansion of the civil service or generally expansion of public services.

So I think there's a limit to how it's meant that the centre right across Europe has become fragmented and growing gap between those preferences of, say, the skilled private sector employees in big businesses or the high skilled sectors and more lower skilled private sector workers in some of the smaller businesses in Europe. When we think about the preferences of the sort of urban educated, private sector middle class, they tend to be socially liberal, but very free market. I'm working on another paper where I'm calling them new young liberals, and these new young liberals we're seeing growing across Europe of an urban, educated private sector, middle class, who tend to

be very free market, socially liberal and they don't the more the mainstream centre right drifts towards the radical right on some of these questions, the more these types of voters are up for grabs and, they're now starting to vote for liberals. Or Greens, or even the Social Democrats.

Victor Lapuente:
And correct me if I'm wrong, but those new young liberals represent a substantial part of the electorate, isn't it? Could it be 20 percent?

Simon Hix:
In some countries it's as much as 30 percent and it's growing fast, right, it depends on the size of the private sector and also, when we think about the fast growing industries; film, fashion, design, media, higher education, tech, you know, these sorts of sectors, these tend to be well, these, the private sector was transformed. If we think 30 years ago a job in the private sector was a job for life, very similar to a job in the public sector, maybe perhaps slightly higher paid, but now a job in the private sector, the contrast with the public sector job is enormous, much more highly paid, but much more precarious. Shorter term contracts, smaller business people building up a portfolio type career across, you know, different jobs. So that's been a transformation. And so those voters, some of them are pro European, a lot of them are more sceptical about Europe. They don't think Europe provides them with enough opportunities, but they're not necessarily gonna support the populist right.

Victor Lapuente:
Looking forward to read that paper and also to read the second version of that paper when you analyse the consequences of ChatGPT for the elimination of some of those jobs.

Simon Hix:
It's very early to tell. I mean we're now seeing papers in political science that are looking at how digitization has transformed, you know, the workforce and has as a result, has transformed political preferences. But it's been 20 or 30 years, right? So I think we need to wait 20 or 30 years before we know how ChatGPT has transformed voter preferences. Maybe a little early.

Victor Lapuente:
Along similar lines, let's move to another of your provocative works together with Tarik Abou-Chadi. When you were questioning this division of the “Brahmin left” versus the “Merchant right”. So you discussed the connection between education, class competition and redistribution in Western Europe. And you revisit the claims of Thomas Piketty when he says that, well, there is a changing support coalition for parties on the left. The left now represents the highly located the Brahmin - the university professors and the creative job people, and as a result redistributed preferences of the working class do not find representation today because the right is in favour of the merchants and and the left is Brahmin and so no one is kind of appealing to their economic interest. Can you explain a little bit about this.

Simon Hix:
I think Piketty makes this sort of provocative claim, but he backs it up with quite, very impressive public opinion data from national election studies from many, many countries across the world. And he shows how higher educated groups in general vote for the left, and he aggregates all of the parties on the left, and higher income groups vote for parties on the right, and so he calls the kind of “Brahmin lef" versus the “Merchant right”. And then he says that helps explain why the we're seeing declining redistribution and growing inequality, because these highly educated groups to vote for the left aren't in favour of redistribution because in a sense, they left behind groups - the lower income, lower educated groups are not represented either by the left or by the right. And so that's his way of explaining why these groups vote for the populist right, he would think.

Now Tarik and I, when we read this had, you know, exactly the same impressions because we've been working with European public opinion data, European social Survey data and so on. And we haven't found those sorts of patterns at all. And so we said, let's sort of write a paper on this. And what we found was that, yes, higher educated groups tend to vote for parties on the left but not necessarily for the mainstream centre left. They tend to vote for the liberal left liberal, the Greens or more radical left parties. The mainstream centre left are still mainly voted for by some of the low to middle educated workers and when it comes to the lower, very lowest educated groups, it's not true that they vote for the mainstream centre right, yes they vote for the more populist radical right. So in a sense, the claim he was making about education is not as clear or as clean as he's tend to, as he seemed to allude to.

The other thing. I think that's missing in his work is the fact that, and I got into an argument in the UK after the last election in the UK on social media with Rob Ford, who's a professor at Manchester when he was saying how after the 2019 election in Britain, Labour is now the party of the middle class and the Tories are the parties of the working class. Because all the higher educated groups are voting Labour and the lower educated groups are voting conservative. And I said this is ridiculous because who are these higher educated groups? These higher educated groups tend to be young because we've only seen mass expansion of education relatively recently in the UK, urban, and relatively low paid and have massive debt. They have debt from education, they have housing debt and massive costs. While these lower educated groups he's talking about tend to be rural, older voters, who've retirees who are paid off their mortgage, sitting on a fat more pension with a public pension. You know, who are the working class here? So in a sense, class is not quite as simple as it used to be in terms of thinking about that, it's much more complex.

That's the first set of issues.

The other set issues that I think with Piketty, to make the leap of faith between higher educated groups voting for the left is the explanation why we don't see redistribution. Well, in fact, if you actually look at the preferences of those voters who vote for the left - they tend to still be in favour of redistribution, in fact the biggest predictor of voting for a party on the left is not education, it's not income, it's not class, it's not urban rural, it's attitudes towards redistribution. In fact, the redistributive coalition the voters do, and there's a whole reason why people are in favour of higher taxes and more spending. Yes, it's not just purely structurally determined by education or class or these types of things. There are people's values and ideology, and that overwhelmingly drives still people to vote for parties on the left. So it's not clear to make the last leap he makes in his argument between higher educating groups vote for the left, that's why we don't see redistribution. I think what is missing is there's other reasons why we haven't seen redistribution. I think part of that story is globalisation, competition for capital, how difficult it is for states to tax higher income people, how wealth has more, you know, wealth is generated not necessarily by salaries, but more by owning assets and how difficult it is to tax assets, particularly mobile assets. So I think there's a lot of structural reasons why it's been very difficult for states to raise sufficient capital to carry on redistributing wealth. And I don't think it can easily be explained by the fact that higher educated people tend to vote for the left.

Victor Lapuente:
I think your results are very, very interesting and, precisely these two ideas that the Social democrats or the centre left parties get votes for from the working class, maybe not the Greens or the new left, but the Social democrats still, and also that preferences for distribution are the main driving forces for those parties, may explain this kind of paradox. If we take into account these opinions like five or ten years ago about the demise of the social democracy, and what we see is actually the social democratic ruling over many European countries, I mean the Scandinavian peninsula, the Iberian

peninsula and many, many other countries. So, would you agree that your findings are related with this kind of relatively unexpected second life of the Social Democracy in Europe, or, and also related with this maybe the main problem now is not this first old European family of the social democracy, but in the second old one, the conservatives and central right?

Simon Hix:
Yeah, I mean, so probably there's a sort of natural pendulum of politics, right? So when we had a period with centre right in power in many countries in Europe and now we've got a period where the centre left are winning back, and it's true that Social Democrats are back in compared to where they were say 10 or 15 years ago, but still at much lower levels. And so when you know you see Social Democrats are backing government in Germany as part of a three party coalition with an average vote share that's 10 or 15 percent below where the Social Democrats were 20 years ago, Social Democrat parties come back in were in backing government in Scandinavia, but again with much lower vote shares. So it's Spain and Portugal are slightly different, but still I think what is happening across Europe is after this period of the rise and fall of Social Democracy.

What we're seeing is Social Democrats starting to realise they need to build broader coalitions or they need to build a new coalition and either that's a coalition amongst political parties, like it is in Scandinavia or in Germany, or it's a coalition amongst new social groups as what is happening in Iberia, where Social Democrats can no longer rely on the two main pillars of support that they had, which were industrial workers and public sector workers, industrial workers are just smaller in numbers. We've seen the decline of industry in Europe and the growth of the service sector just fewer industrial workers, one of the core pillars of Social Democrats, and then public sector workers, are far more fragmented in terms of their political preferences and their values, and often voting for other parties on the left as well as perhaps liberal parties on the centre right. So I think what is happening is gradually a realisation of Social Democrats. They need to think about what's the new social coalition or political coalition that we need to put together and that's what's happening. So I think you're right, that there's a new sort of politics emerging amongst the Social Democratic left. And the big issue, or the big interesting issue I think in party politics in Europe, is the challenge for the centre right. Because we've seen the growth in the populace, right, and the real dilemma for many centre right parties across Western Europe in particular is - do they move rightwards and try and capture, try and stop these parties out flanking, or do they stay towards the centre?

Being in Italy is an interesting case of course with Meloni emerging on the radical right and now there's the big question mark – is she going to carry on? Is she going to govern as a radical right politician? Or is she going to try and use this opportunity to move towards the centre and create a new centre right party, replacing the old centre right in Italy as she has a sort of window of opportunity to replace Berlusconi and Forza Italia. She's already outflanked the other radical right party in Italy, League, who now clearly utter to the right of her. So she's moved more centrist. In some ways, this also happened in Spain. If we look back and think about the Partido Popular in Spain, they came out of what was a post fascist party, Alianza Populari, and gradually involved towards a moderate party, and now again, they're finding themselves out flanked in Spain by Vox, a new party on the radical right in Spain.

So a lot of the action now is actually on the centre right versus the radical right in many countries in Europe, and there's gradually a sorting out. In some ways, it's more of a challenge on the right than it is on the left, ironically because that social milieu of the sort of left field, as Celia Houseman and Tarik Abou-Chadi call it, that left field of voters who are moderately left on economy and socially liberal on social questions is quite broad big field and the gaps between those parties in that field, the sort of social liberal Social Democrats, greens or even radical left, the actual policy distance between those parties, it's pretty small. And so it's not that difficult to create a kind of broad

coalition that might appeal to different sorts of voters in that field. On the right, the gaps between the sort of urban young, urban liberals, that we talked about to a socially liberal but economically free market, and the sort of petty bourgeoisie or older rural, socially conservative nationalist voters, that's a huge gap, and it's very, very difficult to think about how to build a policy package that could appeal across that very broad heterogeneous group of voters, and I think that's the challenge that a lot of parties on the centre right are now facing.

Victor Lapuente:
That's a great insight. I think that the main challenge that Social Democrats had was to appeal to these new coalitions. You say that the industrial workers and the public sector workers coalition no longer can work, or no longer can deliver large electoral support for the Social Democrats. And I was thinking, well, it's difficult also for the Social Democrats to appeal to the new liberals when the new left sort of liberal social democracy of the Tony Blair is, is actually not precisely what the model that the new Social Democrats have. But actually your answer in the sense that the difference on the left is that the challengers of the left to the Social Democrats are very close in policy. Actually, they are basically a question of leadership in many cases, you have pointed out the case of Spain, It would be very difficult to find the policy differences between the two, three major political figures on the left, quite on the opposite on the right, we see that in Europe especially, that the challengers of the far right much stronger for the centre, right.

Let's move to the Brexit. Let's not talk about the past. You have explored also the relationship between the EU and the UK now. Which is your prediction, I mean to paraphrase Churchill, as you argue that the UK is leaving the European Union in January 2020. But that was not the end of Brexit, or perhaps even the beginning of the end, but was in many ways the end of the beginning. So. Together with Canadian scholars you conducted a conjoint survey experiment on the Brexit trade off, and I would like to ask you which are based on this work - which are your prediction of what's gonna happen and the evolution of the current trade and operation agreement between Brussels and London – is it gonna move into a more softer direction, or a more harder direction?

Simon Hix:
Yes, I think a lot of it depends on who is going to be in power in Britain over the next five to ten years. So the trade cooperation agreement was a very basic free trade agreement covering very minimal rules, common sets of rules, on the free movement of goods and services and capital but did not give the UK really extensive access to the single market, did not cover rules on the free movement of people, did not do much on the service sector trade. So very sort of basic goods based non zero tariff type framework. But it did also include if the UK drops its standards. So if the UK falls below the EU standards, the EU can retaliate and even restrict free trade with the UK. We're now starting to see that bite in the UK economy, so most of the estimates are that this has had an impact of between three and five percent of UK GDP as sort of one off shock. So you know that's pretty major. That's like facing a major recession if you like – that the UK has inflicted on itself.

With the Conservatives in power, it's very difficult for them to admit that this is because of Brexit. So they say this is not because of Brexit. This is because of the downturn in the global economy – the war in Ukraine, COVID, everything but Brexit. Right. And when everyone says, hang on a minute, how come everybody else has recovered from these things and the UK hasn't? If you look at the sort of, you know, the trends amongst the G7 or the G20 or the OCD, you can see the UK is right at the bottom. So that is very hard for them to admit that this is because of Brexit and I think they won't be able to, and I don't think we'll see much of a shift until unless there is a change in government. Let's say Labour wins the next election, which could be in the spring of 2024, could be in the autumn of 2024. Before Labour currently is saying we have the same policy as the Conservatives, we don't want to reenter the single market, we don't want to open the box of the free movement of people, we

don't want to be closer to the EU. They talk about cooperation or research and a few other bits and pieces, but essentially, they're prepared to accept the status quo. I think they're doing that for political reasons and I think most people think that once they get into power, if they do get into power, things will start to shift and there will be growing pressure on them to start to build back bridges with the EU, and it's easier for Labour to do that than the Conservatives because Labour will not want, or not have, pressure on it to have a framework that allows them to deregulate further.

So, the Conservative Party on the right, with support from small businesses in the UK are still promising they want to further deregulate the British economy, and they're trying to figure out how to do that, and if they get closer to the EU, for example, some way to join the single market. They will not be able to do that, whereas I don't think Labour cares necessarily about that. They want to maintain high environmental standards and high social standards, and I think we will start to have a discussion about whether the UK could move towards, say, a Swiss model or perhaps even a Norwegian type relationship with the EU, some sort of increase or improved access to the single market for the UK, and even opening the box of, you know, reopening the debate about the free movement of people.

Britain has a massive labour shortage as a result of the fact that Polish and Lithuanian and other workers from central East Europe went home during COVID and didn't come back. So, we're seeing huge labour shortages in the agriculture sector through the food processing sector, the healthcare sector, and the elderly care sector. You know, a lot of the lower skilled jobs in the UK, have enormous worker shortages and this is of course leading to frictions pushing up inflation, leading to even food shortages in supermarkets. I mean, a lot of this is not, you know, if you think about it's not a direct result of the fact that there's tariffs or supply chain restrictions, this is a direct result of the fact we don't have workers in the economy as a result of Brexit. And so, I think there is, that these businesses are trying to patch this up with different agreements with different countries, but it would be much simpler if we went back to some kind of arrangement where we could have a more liberal movement of labour, probably not complete free movement of labour. But I think we'll start to have a conversation about some kind of “blue card scheme”, “joint UK EU work permit” or something like that. I can see that being on the cards in the coming years.

Victor Lapuente:
And I guess that a little bit coincides with what the median British voter probably wanted, which is kind of a Norwegian or Swiss intermediate stage between hard Brexit and one extreme and full integration with the European Union on the other. So, at the end, maybe democracy works.

Simon Hix:
In a 5248 vote, the median voter was a soft Brexiteer. You're absolutely right.

Victor Lapuente:
Yeah, it's time to conclude. But one final question. Maybe the main cleavage in British society is maybe not the economy or immigration or Brexit, but the monarchy versus Meghan and Prince Harry. And I would like to ask you just as an anecdote, whether this is revealing some kind of deep cultural clash between the more Cosmopolitan urban elite versus traditional rural Britain? Or is it a question maybe of generational question with the younger with more sympathy towards Harry and Meghan and the elders, older British, more with the monarchy?

Simon Hix:
Well, I think you're right that there is. You mentioned several dimensions of urban rural; you mentioned age, you mentioned a sort of cosmopolitan traditional. There's another dimension you didn't mention, which is centre periphery, which is a sort of, you know, the Celts, the Welsh and the

Scots and the Northern Irish, or at least the Catholic in Northern Ireland. I mean, and another one I also didn't mention was minorities in Britain. So what survey data shows is younger voters, higher educated voters, ethnic minority voters and Celtic fringe voters are all less supportive of the monarchy than your classic older white rural British, English voter if you like, and so we're not sure whether these are age effects or cohort effects. If they're cohort effects, that meaning that you know that gradually there will be held through people's lives, I think the monarchy is in trouble. The jury is out on King Charles. I think a lot of people felt so there was at least a group of voters that felt, a group of citizens that felt they wouldn't want to question the monarchy because they loved the Queen, but now she's gone then now they're willing to question the monarchy and I think this is a real challenge for Charles.

I'm not sure, and the other dimension of this, we've not really talked about is Britain's relation with its former colonists, and I think this will change quite dramatically in the coming decades. When a lot of these former colonies are now starting to question Britain's colonial legacy and slavery legacy, asking the debate about reparations has begun in several countries and this is not a coincidence, because several of these colonies were quite sympathetic towards the Queen because the Queen was perceived as sticking up their interests against the British government. She spoke out in the commonwealth in favour of a lot of these countries against Thatcher, for example, she spoke out in favour of she was very supportive of independence of several of former African colonies in the 1960s and so the leaders of these countries and cities of these countries remember that. Now that she's gone, and Charles is in power now It's much either gloves are off if you like. Now they can talk about Britain's legacy. Britain's colonial legacy, Britain, slavery legacy and what is Britain going to do about it? And so, I think that's something to watch in the coming decades.

Victor Lapuente:
The queen is dead. Long live the monarchy or the European Union. It has been a pleasure talking to you Simon on these issues, and I am looking forward to talk to you in the future to illuminate us with your insights in political science, but so connected to current issues in discussions in politics. Thank you very much.

Simon Hix:
Thank you very much Victor. Bye.