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Secessionism Revisited: Unequal Market Insertion and its Relevance for the Analysis of Brexit

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Abstract

The paper introduces a new analytical concept, Unequal Market Insertion, to explain centrifugal forces in culturally heterogeneous polities. Since the late 1970s, scholars have emphasized that overlapping cultural diversity and economic inequality is conducive to secessionism. The greater economic inequality between regions is, the more likely and the more intense peripheral nationalism seems to be. Scholars have also shown that over-development is more conducive to peripheral nationalism than is under-development. They do not explain, however, why would the population of an over-developed region be interested in separating from a broader polity. The concept Unequal Market Insertion fills this gap. It describes a situation where the benefits of insertion in an expanded market vary significantly across sectors of the economy, social groups, and locations within a given territory. When insertion in a new market runs parallel to opposite economic trajectories experienced by the different social groups and different geographic locations of a given "region", those who experience economic stagnation or decline in this region may mobilize against membership in the new market. The paper illustrates the role of unequal market insertion in radicalizing centrifugal politics in over-developed regions by focusing on the British population's vote to leave the European Union.

Keywords: Nationalism, Secession, Markets, Brexit, Social Exclusion.

Secessionism Revisited: Unequal Market Insertion and its Relevance for the Analysis of Brexit

Theories of nationalism have emphasized the role of development and, more specifically, regional overdevelopment in explaining secessionism in multiethnic, multinational, polities. They have not addressed, however, an intriguing question: Why would a region, whose high level of economic development relative to the polity signals that it benefits from membership in that community, want to secede? In 1979, Peter Gourevitch proposed an answer to this conundrum which is that separatist tendencies in such regions are more likely when their elites are excluded from power at the core of the polity. While there is merit to this hypothesis, it is not entirely satisfying, in part because it does not quite explain the elites' success in mobilizing popular support for the secession movement.

This paper builds on and modifies recent empirical work in international political economy and European integration studies to propose another structural factor, unequal market insertion, which in combination with other factors–including the one that Gourevitch highlighted–may contribute to solve the conundrum above. The paper is mainly theoretical and illustrative. It simply aims to sensitize the reader to the role of intraregional unequal market insertion in generating centrifugal forces in culturally heterogeneous polities. In line with previous empirical work that I discuss below, however, it does not claim that it is the only or most relevant factor. Secession is, like most social phenomena, the outcome of many causal variables acting in combination.

The "market" to which the expression unequal market insertion applies is any of the larger markets in which a region being considered is inserted at a given historical moment (e.g., a national market, a supranational market like Mercosur or the European Union, international markets). By unequal market insertion I refer to a situation where the benefits of insertion in an expanded market vary significantly across sectors of the economy, social groups, and locations within a given territory. While it is always the case that not everybody benefits the same from entering a new market, I reserve the concept unequal market insertion for cases where the difference in benefits across economic sectors, individuals, and locations is particularly large. The paper's modest aspiration is to draw attention to the fact that when entry in a new market runs parallel to opposite economic trajectories experienced by the different social groups and geographic locations of a given "region," those who experience economic stagnation or decline there may mobilize against membership in the new market.

I use the expression intentionally. I could just as well have used ones like "generalized social exclusion" or "widespread material deprivation" to describe a similar idea. The justification for my choice is the desire to better connect the hypothesis that I put forth to explanations, popular in the 1970s, that emphasize the role of development in politics, to draw attention to the role that types or models of economic development—in addition to levels—play in political processes.

I illustrate the role of unequal market insertion in promoting secessionism in overdeveloped regions by focusing on the British population's vote to leave the European Union. Insertion in the global market (including the EU) coincided with increasing economic prosperity for a small segment of society and economic stagnation or even decline for other large groups in the population. The combination of overdevelopment relative to other European Union member states and the exclusion of many from the benefits of the larger markets created a propitious environment for the mobilization of the excluded in favour of full sovereignty.

Instability in pluricultural polities

Aside from earlier exceptions, the sociological study of peripheral nationalism dates back to the 1970s, with the main theoretical contributions spanning the 1975-1985 period, a decade marked by the sudden intensification of nationalist movements in several regions in Western Europe. This ethnic revival, as Smith called it (1981), contradicted expectations of the modernization theory (e.g., Deutsch 1953) and invited comparisons with the anticolonial movements from the preceding decades.

One can distinguish two phases in this literature: the first consists of stylized accounts of peripheral nationalism as it relates to the historical development of nationalism in general and of theories of peripheral nationalism based on case studies or comparisons between cases (e.g., Breuilly 1993; Hobsbawm 1990; Hrosch 1985; Gellner 1983; Anderson 1983; Smith 1981; Hechter 1975). The second consists of large-N quantitative studies that build on the theoretical legacy of the first phase and are often couched in the language of international political economy (e.g., Deiwiks et al. 2012; Sambanis and Milanovic 2011; Beramendi 2007 and 2011; for more qualitative accounts, see Keating 1998 and 2013).

The first phase identified industrialisation, state development, and state territorial penetration as the precipitating events for both nationalism and peripheral nationalism. It also highlighted territorial cultural distinctiveness and relative under- and overdevelopment as the underlying structural causes (Gourevitch 1979; Nairn 1977; Hechter 1975). A parallel approach to peripheral nationalism, inspired by theories of ethnic conflict and human ecology, framed the problem in more dynamic terms and emphasized the role of ethnic competition, sometimes conceived in terms of changes in ethnoregional economic specialization (e.g., Hannan 1979). Finally, rational choice studies of peripheral nationalism, which became fashionable in the late 1980s and early 1990s, framed the explanation of peripheral nationalism in cost—benefit terms and emphasized the roles of economic interdependence and of the costs of independence, thought to be inversely related to a country's size and a country's level of economic openness (e.g., Meadwell 1983).

Recent large-N empirical tests operationalize earlier arguments into measures of ethnic diversity and distinctiveness, measures of interregional economic inequality or of regional wealth relative to the political centre (depending on whether states or regions are the units of analysis), and indicators of intraregional economic inequality. These statistical exercises have also included measures of country wealth, regional economic integration and interdependence, regional economic specialisation, trade openness, regional discrimination, cross-regional redistribution, and political decentralization (see Sambanis and Milanovic 2011 and Beramendi 2011 for thorough reviews).

Interregional economic inequality and centrifugal politics

Economic inequalities lie at the centre of many explanations of peripheral nationalism. Since the late 1970s, scholars have emphasized that peripheral nationalism results from an overlap between regional cultural diversity and regional economic inequality (e.g., Gourevitch 1979; Nairn 1977; Hechter 1975 and 1978). The greater economic inequality between regions is, the likelier and the stronger peripheral nationalism also is (e.g., Kyriacou and Morral-Palacín 2015; Deiwiks et al. 2013). Different policy priorities, different attitudes toward resource redistribution across regions, and perceptions of discrimination have been tagged as the intervening variables in this relationship. Although initial emphasis was placed on the role of underdevelopment, very soon scholars realized that overdevelopment was more conducive to peripheral nationalism (e.g., Fitjar 2010). Authors rationalized this by noting that nationalists in underdeveloped regions have fewer mobilization resources than do nationalists in overdeveloped regions and that the relative costs of setting up an entirely new state superstructure are greater for under- than for overdeveloped regions (Esteban et al. 2012; Beramendi 2007). These arguments, however, only tell us that overdeveloped regions are likely to succeed in separating and at a relatively low cost. What scholars who emphasize the role of overdevelopment do not explain is why would the population of an overdeveloped region be so interested in separating from a broader polity. One can see the logic of separating to avoid the costs of transferring resources to less developed regions but this logic only works when there is regional redistribution. This has not always been the case. The redistributive state did not exist before World War II and by some accounts it has stagnated, in some cases even regressed, in the context of the hegemony of neoliberalism (Brenner 1999). At the same time, the balance sheet of secession should include the loss of benefits from membership to a larger market. It is unclear why a region would decide to leave a polity in whose market it has fared better than other regions. The concept of unequal market insertion helps us to account for this anomaly.

Intraregional economic inequality and centrifugal politics

The recent literature on international political economy and European integration also demonstrates the existence of an association between intraregional economic inequality and secessionism (Kuhn et al. 2016; Sambanis and Milanovic 2011). Whereas Sambanis and Milanovic observe this relationship in their cross-sectional analysis of peripheral nationalism, Kuhn and coauthors obtain similar results at the longitudinal level when examining Euroscepticism through a multilevel analysis of over 79 pooled Eurobarometer survey waves across 12 countries from 1975 to 2009 (see also Burgoon 2013). As the authors openly admit, the effect of intraregional economic inequality is quite small, just like those of other variables on which parsimonious explanations of secessionism have been built.

Intraregional economic inequality can result from many structural factors, such as the age composition of the population, family structure, unionisation among workers, tax policies, economic growth, inflation, foreign investment outflows, level of economic development, among others (e.g., Jacobs and Myers 2014; Huber and Stephens 2014; Volscho and Kelly 2008; Horii et al. 2013; Perrugini and Martino 2008; Neckerman and Torche 2007). Recent contributions to the economic geography literature, however, trace intraregional inequality to processes of market integration. Ezcurra and Rodriguez-Pose, for example, find that increasing trade openness combined with interregional sectoral specialization differences leads to greater interregional inequality, since not all sectors benefit equally from market integration (Ezcurra and Rodríguez-Pose 2013a, 2013b). Growing trade openness combined with differential regional access to foreign markets leads to greater interregional inequality, especially when the latter overlaps with already existing income inequality. Their findings can, by and large, be extrapolated to explain intraregional spatial economic inequality.

From intraregional economic inequality to unequal market insertion

The findings relating integration in new markets and intraregional economic inequality and then intraregional economic inequality and secessionism are drawn from rigorous empirical analysis. What is not so clear is whether the latter association reflects an actual causal relationship or is spurious. I suggest that the observed association is partly masking the causal impact of the prevalence of material deprivation, with which economic inequality is closely related.

Sambanis and Milanovic claim that the greater the gap between elites and the lower classes, the greater the former's ability to capture the nationalist movement and tap into the class cleavage to push for autonomy or secession. Meanwhile, Kuhn and her coauthors claim that the relationship reflects the blame that losers put on the broader market or polity for the large gap between rich and poor in their region. Both arguments are unconvincing.

Sambanis and Milanovic probably have in mind culturally distinct regions where class cleavages overlap with cultural cleavages, with the lower classes being predominantly formed by immigrants from the culturally-dominant group at the state level. While such a scenario may be conducive to nationalism, Brexit illustrates an alternative, and probably more frequent, scenario in which the elites' economic interests in market insertion and their concomitant transregional or transnational social entanglements lead them to support membership in a large multicultural or plurinational polity, whereas losers of market insertion, especially those belonging to a territory's autochthonous population, mobilize against membership and support secession.

Kuhn's proposed causal mechanism is also problematic, first, because it makes sense to think that people's grievances may rest on actual material deprivation or comparisons with one's material well-being in the past and only secondarily on invidious comparisons with others in their own society or abroad. Changes in economic inequality are not something that one readily sees, nor do most people follow the evolution of statistics on economic inequality. It is reasonable to think that guesses about the evolution of economic inequality and alertness to information on economic inequality are preceded by growing personal material insecurity. It is logical to think that material deprivation matters more in explaining secessionism than invidious social comparisons or perceptions of social injustice. While economic inequality is correlated with rates of economic exclusion, it is the latter that one should focus on.

I follow Kriesi and coauthors, among others, and shift the focus from economic inequality per se to the social segments on which this inequality rests to argue that in the context of globalization losers are more likely than winners to oppose market integration (Kriesi et al. 2008). The concept of unequal market insertion that I propose refers to the disproportional distribution of benefits and losses to different economic sectors and regions in a circumscribed territory that results from insertion in a broader market, be it a national market, a bounded international market, or the global market. I argue that, *ceteris paribus*, the more concentrated these benefits are and the greater the number of people and firms excluded from them, the greater the opposition to membership to that market will be.

A warning is called for at this point, especially in view of the empirical analysis of Brexit below. Although the literature above suggests that the benefits of entering new markets can, under some circumstances, be very unequally distributed across social groups, what really matters for the explanation of secessionism is the simultaneity of the two developments: insertion in a new market and high or increasing rates of social exclusion. This is because causality is not something that one sees. The causal structures with which we apprehend the world are socially constructed. Whether the simultaneity between market insertion and social exclusion that propels secessionism is constructed in causal terms or not, in the end, depends on factors such as dominant narratives in a particular society and on politics—on how problems are framed by competing political actors—, as I illustrate below with respect to the British case.

The concept of unequal market insertion can be fruitful, among other reasons, because it provides a linkage with the literature on development and contributes to it. It allows us, for instance, to account for economic, social, political, and cultural processes related to shifts in market boundaries in a more encompassing manner than do dependency, world-system, and related theories (e.g., imperialism, internal colonialism), whose almost exclusive focus is on core—periphery or core—semi-periphery interaction (Cardoso and Faletto 1979; Evans 1977). It helps account for processes of change that affect economically advanced regions as they become part of national markets and those affecting core countries as they become part of international or global markets. Unequal market insertion reflects, and at the same time contributes to, patterns of uneven development and to the distribution of comparative advantage across specific economic sectors, regardless of whether a given territory is situated at the core, semi-periphery, or periphery of the world-system.

The conceptual linkage with the literature on development that I propose also opens potentially fruitful lines of inquiry that expand on the economic geography literature cited above by exploring the factors that may lead to a more or less equal insertion into a new market. The literature on globalisation, for example, has noted relatively high levels of economic inequality in countries rich in scarce and highly valued natural resources (e.g., oil, gas) (e.g., Thomas and Treviño 2013; Karl 1997) and in countries with an oversized financial sector (e.g., Christensen et al. 2016; on positive evaluations of the effects of the financial sector, see Beck et al. 2007; on recent questioning of the positive effects of finance, Jauch and Watzka 2016; Zingales 2015; Tan and Law 2012). My work on Basque and Catalan nationalism suggests that the concentration of benefits in a new market is more likely when comparative advantage accrues to economic sectors where capital requirements and economies of scale are very high, like in the capital goods industry or finance (Díez Medrano 1995). Finally, institutional approaches to development suggest that adherence to neoliberal and neo-monetarist policies, as has been increasingly the case around the world since the late 1970s (Blyth 2013 and 2002), has simultaneously led to the removal of barriers to the international flow of goods, capital, and services, the weakening of the welfare state, the watering down of the generous post-World War II labour rights regimes, and the state's general retreat from redistributive policies (Brenner 1999). Dependent in part on the degree of consensus over these neoliberal and neo-monetarist policies, rates of social inclusion have increased more or less across the world.

The review of the literature above highlights that contestation to insertion in a given market is greater in culturally distinct and nonhegemonic territories that are more developed than the average territory in this market. This is because they have more resources to mobilize and they can better afford the costs of managing their full sovereignty. Unequal market insertion accounts for why the population of a country or region that on the surface benefits from membership in a larger market–for it is more developed than the average country or region in that market–would like to pull out. The more concentrated the benefits of market insertion are, the more likely it is that the mass of the excluded will mobilize for withdrawing from the larger market. Concentration of benefits is more likely when comparative advantage in the larger market accrues to economic sectors where capital requirements and economies of scale are very high, like in the capital goods industry or finance, or the source of comparative advantage itself is highly concentrated, like property over scarce natural resources or high skills. I expect unequal market insertion to interact with relative overdevelopment in explaining support for separation or secession from multicultural markets. This is because when overdevelopment and unequally distributed benefits of market insertion coincide, mobilization resources are high, the cost of full sovereignty are comparatively small, and only a small segment of the population has incentives to give up some sovereignty as a fee for being part of the bigger market.

The studies by Sambanis and Milanovic and by Kuhn cited above do not allow us to test these hypotheses. It also lies beyond this paper's scope to perform this test. Exploratory aggregate statistical analysis with Parlemeter survey data for 2015 and macroeconomic information from Eurostat provides results, however, that are surprisingly consistent with the argument laid-out here. First, as expected, it reveals a negative relationship between the proportion of a country's population at risk of poverty and net support of EU membership. Then, it shows that the effect of the proportion of the population at risk of poverty on net support for membership in the EU is positive at low levels of GDP/capita but becomes negative at high values of GDP/capita, also as expected. Finally, and contrary to what the literature above shows, it reveals that the association between the Gini Index and net support for membership is positive instead of negative, both before and after controlling for the percentage of the population at risk of poverty (data available from the author). One should not read much into these results, for one because they are not based on a direct measure of support for secession from the European Union, but simply on whether citizens think that membership in the European Union is a good or a bad thing. The analysis, rough as it is, however, provides a sketch of how a large-N systematic test of the argument developed in this paper would look like and the type of variables it would be based on.

Instead of a full-fledged statistical analysis, what I propose below is to examine the role of unequal market insertion in the explanation of secessionism through a close look at the decision from the British population to leave the European Union. Just as other historical cases of secessionist mobilization (e.g., early Basque nationalism), Brexit illustrates the impact of unequal market insertion on centrifugal politics and its complex expression in the actual politics of secession. The United Kingdom's greater level of development relative to the European Union's average provides incentives and resources to at least retain a margin of political autonomy within the larger market. In addition to this, a highly unequal distribution of benefits from membership in the European Union, accruing to a highly concentrated economic sector and a relatively small segment of the population, has eventually moved some large groups of people inthe United Kingdom to support leaving the European Union.

Unequal market insertion and "Brexit"

The European Union's singularity with respect to existing or past polities has stopped scholars of European integration from drawing from theories of nationalism to explain its dynamics and yet much can be gained, as the analysis below of the United Kingdom's decision to leave the European Union shows. Compared to other member states, the United Kingdom is overdeveloped and benefits from extensive and intense market relations with the world outside the European market. Also, like Germany and France and in contrast with other overdeveloped European Union member states, such as the

Netherlands, Sweden, or Luxembourg, the United Kingdom is powerful both in production volume and demographic terms. All of this means that the United Kingdom can, for better or worse, survive outside the European Union.

While similar to Germany and France in terms of economic and demographic weight within the European Union, the United Kingdom differs from these two countries in that it has been less able to impose its vision of what the European Union should be like. In particular, the United Kingdom has failed to steer the process of European integration away from the idea of "an ever-closer union," in which political integration matters as much as creating a big free trade area. This is important because according to the overdevelopment thesis, economically dynamic regions are particularly prone to secession when they are politically weak. Although on a day-to-day basis the United Kingdom is quite influential in European Union affairs (Hix 2016; Georgakakis 2012), failure to impose its larger vision has led British citizens to believe that their country has no voice in Brussels (e.g., Díez Medrano 2003).

Important as it is, the United Kingdom's inability to steer the process of European integration does not account for why its population would like to leave the European Union. The decisive contrast between the United Kingdom and Germany and France, which significantly contributes to explain Brexit, is the distribution of benefits and losses of insertion in the European Union among the three countries' respective populations. Data on the percentage of the population at risk of poverty for 2015 show that at 24.5% the United Kingdom ranks 14 in the European Union, whereas Germany ranks 18, and France ranks 24. While the overall contrast between the United Kingdom and Germany is not very large–four and a half percentage points–it is much larger when one focuses on the bottom two quintiles of the income distribution (Eurostat database). Other indicators, such as infant mortality rates, buttress the view that material deprivation is widespread in the United Kingdom, especially when compared to states of comparable overall wealth and economic power in the European Union. Eurostat does not provide long time series of data on material deprivation but data on variables that are correlated with it, such as the Gini Index or the Welfare State Generosity Index computed by Scruggs and coauthors (2014), show that since the 1970s economic inequality and social vulnerability has increased more in the United Kingdom than in most other European Union member states. While Germany does not fare that well either, especially since the turn of the millennium, the significantly greater levels of protection provided by its welfare state and its system of industrial and labour relations compared to the United Kingdom's suggests that material deprivation has been comparatively less widespread in the former than in the latter for the last forty-five years.

Highly unequal market insertion in the United Kingdom can be traced back to its development model and, more recently, the dominant ideology guiding economic and social policy. The 1980s coincided with the emergence of a new global market and even freer regional markets like the European Union (1993). The United Kingdom's economic insertion in these new markets was highly unequal. Whereas the already powerful financial sector thrived, old industrial sectors and regions suffered enormous losses, unable to compete with emerging economies in the new markets, as revealed by the growing trade deficit in manufactured goods (Díez Medrano 2017).

Key to the growth of the United Kingdom's financial sector were the 1979 decision to abolish exchange controls and the 1986 deregulatory and liberalizing Big Bang reform of the London Stock Exchange, which made the City more attractive than ever to foreign capital, especially that coming from the United States (Norfield 2016). As Norfield indicates, "the reforms made it easier for foreign companies to join the London Stock Exchange, abolished fixed commissions on buying and selling securities, and ended the division between jobbers (financial companies that advanced money to hold shares for a fee) and brokers (who matched buyers and sellers for a fee)" (2016, Chapter 3, *State policy on financial markets from 1979*, para. 8). Today, London ranks among the world's largest financial centres and is arguably the most internationalized one. While British banks and other financial institutions are powerful, foreign ones play an even larger role in the City's business. One of the most profitable financial functions of London's financial centre is in fact that of intermediary between foreign firms. Norfield says that, "London is … a hub for foreign exchange dealing, for 'over-the-counter' derivative deals, for international bank lending and borrowing, and for trading in international bonds" (2016, Chapter 8, para. 1).

It is rather uncontroversial that the strength of London's financial capitalism benefits the economy of the United Kingdom in many ways, even though the high value of the pound that follows from this may have contributed to make British goods less competitive in foreign markets. In his book *The City*, Norfield also notes that the value created by financial services amounts to about 10% of the GDP. More than a million people are employed in banking and insurance, and about two million, or 7% of the employed labour force, work in finance related activities. Lest one think that financial and industrial interests are necessarily at odds with one another, it is worth stressing that the strength of finance also makes it easier for industrial firms to borrow and provides them with investment opportunities to diversify risk.

Enormous corporate salaries and profits, however, concentrated in a relatively small segment of the population and in London (i.e., because of the advantages of proximity of related businesses, Sassen 2001), have followed from the liberalization and deregulation of the financial markets since the early 1980s and have contributed to a significant increase in economic and geographic inequality in the United Kingdom. Insertion in a new market, in this case a global market, benefited only the fewest in the UK. The concentration of the benefits of market insertion in the financial sector and competition from abroad has meant, among other things, that the supply of highly educated professionals has exceeded the economy's capacity to absorb them. This has contributed both to the solidification of class lines and to middle class insecurity in British society (Williams 2013; Goldthorpe 2012; Erikson and Goldthorpe 2010).

While the financial sector expanded, pushing up gross indicators of wealth and economic growth (i.e., GDP/capita), the lives of industrial workers stagnated or worsened. Although this coincided with Britain's growing insertion in European and global markets, it was not the only or most important cause. The industrial workers' economic situation was put to a severe test by the neoliberal economic and social agenda introduced by Margaret Thatcher in the late 1970s and by the elimination of barriers to the flows of goods, capital, and services (on the lack of correspondence between growth and poverty in Britain, see Lee and Sissons 2016). The effects of Thatcher's reforms were a drastic reduction in social rights, only balanced by the European Union's Social Charter, and a decline in the quantity and quality of welfare state benefits. The crisis of the National Health System (NHS) best epitomizes the decline of the British welfare state. The main effect of the opening of markets was rampant deindustrialisation, which destroyed the lives of thousands of industrial workers. The problem was compounded by the spatial concentration of social exclusion, which sharply divides a relatively poor north from a prosperous south (i.e., South West) and that in the depressed north brings closer together the worldviews and interests of the middle class to those of the working class (e.g., Geary and Stark 2016; Andersen and Heath 2012; Dickey 2007).

There is good theoretical and empirical evidence to think that uneven market insertion and, more particularly, the stagnation, even decline, of the living conditions of a large section of British society enters into the explanation of the Brexit referendum's outcome. Data on the social characteristics of those who voted for Brexit are consistent with this interpretation. Compared to those who voted for remain, they were more likely to be older, less educated, and lower class, and to live in geographical areas experiencing deindustrialisation and a deterioration of living conditions.

The relationship between unequal market insertion and secession is not automatic, however. The theory that I propose in this paper simply predicts that the exclusion of many from the benefits of a new market merely create a potential for secession, which is greater when the region under consideration is overdeveloped and has only limited influence over politics at the centre. The "losers" must also interpret their situation as a consequence of insertion in the market represented by the polity from which they want to secede. In the United Kingdom, this interpretation has ebbed and flowed since the

1960s, when membership started to be discussed, and can be approximated through the evolution of discourse about the European Union in the Labour Party and the Trade Union Congress. For almost two decades (coinciding with European Commission President Jacques Delors's famous 1988 speech at the Trade Union Congress held in Brighton), in particular, the Labour Party and the Trade Union Congress made the convincing case that membership in the European Union insured the working class against the worst excesses of British neoliberalism (Díez Medrano 2017). It is not a coincidence that the immediate years following this about-face coincide with the highest levels of net support for membership in the European Union ever obtained in the United Kingdom (see the Eurobarometer Interactive website). It is worth remembering that, until the financial and economic crisis, not only the Labour party but also the Trade Union Congress (TUC) in the UK were deeply committed to European integration and–something that has been entirely missing from the discussion on migration–unanimously supported the government's decision not to require a transition period for the free movement of workers from the enlargement countries to the UK. The TUC systematically countered increasingly frequent xenophobic messages and called instead for the unionisation of immigrants and for the enforcement of laws preventing the exploitation of foreign workers. Deeply alarmed by the fact that industrial manufacturing was suffering from globalization, the TUC repeatedly criticized low wages and poor working conditions in emerging economies but refrained from calling for protectionist barriers, advocating instead for measures to increase productivity and make British industry more competitive.

In the first decades of the new millennium, however, New Labour's "third-way" policies, the European Commission's neoliberal turn, and the European Union's financial and economic troubles (see Lake 2017 on the effect of crisis on ethnic politics), and most important, the arrival of thousands of immigrants after the 2004 and 2007 enlargements propitiated that many members of the British working and lower-middle class and residents of all regions but the South East give up on the EU (e.g., Short, 2016). Working and lower middle-class Eurosceptics were then joined by conservative members of the insecure educated middle class. In 2008, for the first time in the long series of Eurobarometer surveys, the percentage of respondents who thought that membership in the EU is a bad thing was higher than the percentage of those who thought it is a good thing. It is not that material deprivation became more widespread. Statistical data from Eurostat do not show major changes in this area; what changed was the context, in ways that may have intensified the British population's sense of insecurity. Eventually, with the help of the tabloid press, UKIP succeeded where the British National Party, the Referendum Party, and other far right and Eurosceptic organizations had previously failed: capitalizing on longstanding misgivings about the European Union, it persuaded the population that the binomial European Union–migrants was responsible for their ills (e.g., the crisis of the NHS) and that, given the United Kingdom's high level of development, extra-European ties, and military strength, they would fare better outside than inside the European Union (e.g., Ford and Goodwin 2014; Dodds and Akkoe 2015).

The centrality of anti-immigrant discourse in the referendum campaign is more consistent with an explanation that stresses material insecurity than with one that stresses pure economic inequality. In fact, while anti-establishment views have been part of the UKIP's message and the anti-Brexit vote, the analysis of surveys and political programs does not indicate that economic resentment against the City played a major role, as an emphasis on economic inequality would suggest. Actual exclusion from the benefits of globalisation and Europeanisation of large segments of British society played a greater role than the growing gap between rich and poor that also resulted from unequal insertion in the European and global markets.

Some critics of the argument outlined here may, of course, ask why do we need unequal market insertion (i.e., widespread material deprivation) if we have xenophobia? Is it not possible to explain the outcome of the referendum by simply pointing out the massive arrival of immigrants from Eastern Europe just after the 2004 enlargement? I do not attempt to answer this complex question in this paper. One can start by noting that Spain in the first decade of this century and Germany in recent years have also received a massive flow of migrants, which has not translated into a rejection of membership in the European Union. Clearly, immigration triggers secessionist responses in some cases and not in others, depending on other variables.

In the British case, immigration and xenophobia probably played a major role in the decision to secede. This, however, does not necessarily compromise an explanation of Brexit that emphasizes the role of unequal market insertion. An examination of trends in net support for the European Union between 2001 and 2015, just before the referendum, sheds some light on the issue. Had xenophobia been the only mechanism that channelled the impact of post-enlargement immigration on the British citizens' voting behaviour, change in net support leading to the referendum outcome would have been homogenous across social groups and regions. Eurobarometer data for this period show that declines in net support were generally greater among the lower classes (e.g., skilled and unskilled industrial and service workers) than among the middle and upper classes. While net support increased in the United Kingdom's South East region, it dropped dramatically in the South West, including Wales. Clearly, if immigration played a role in the referendum it did so especially among the most vulnerable in the United Kingdom. Whether xenophobia or perceptions of economic threat drove their behaviour is irrelevant as for what this says about the impact of unequal market insertion in the explanation of secession. It suggests that material insecurity made them especially receptive to the xenophobic messages sent by the anti-EU camp and that, *ceteris paribus*, lower rates of material insecurity could have resulted in less support for Brexit.

Theories are not meant to fully explain cases. The position of a case in a regression line reflects the combined effect of many variables, some structural and some conjunctural, some known and some unknown. The explanation of the United Kingdom's decision to leave the European Union is no exception (for an overview of arguments, see Outhwaite 2017), and while the analysis above shows consistency between theory and outcome, this does not mean that the factors highlighted by this theory were the most important ones. Indeed, the results of the British referendum on staying in or leaving the EU caught everyone by surprise, but only because until the very end, polls predicted that the remain voters would prevail. Most observers would concur, however, that if there ever was an European Union member state that could conceivably vote to leave the EU it was the United Kingdom. Membership was always controversial and levels of popular support have been among the lowest of the states.

Scholars have offered many alternative explanations for persistent low support for membership in the European Union in the United Kingdom (e.g., Kumar 2003; Nairn 1988). These explanations are compatible with the more general theory that frames my analysis of Euroscepticism in the United Kingdom. Accounts that stress the role of the empire and of the United Kingdom's accommodation after it disintegrated are particularly appealing. In *Framing Europe*, for instance, I emphasized the fear of losing the national identity, a fear related to people's framing of the European Union as a mosaic of highly differentiated national cultures and to the perception that the United Kingdom has little clout to steer the European Union. I traced these views historically to a general feeling of satisfaction with the United Kingdom's cultural singularity ("comfortably British") and to cultural habits of apprehending other countries acquired during Empire. The reach and long duration of the British Empire well into the middle of the twentieth century, and the gradual and relatively untraumatic decolonization process not only provided Britons with an alternative supranational identity but also precluded the development of a strong pro-European frame based on a repudiation of nationalism, as was the case in countries like Germany or Spain where nationalist projects had failed. Holmwood endogenises both the United Kingdom's inability to impose its vision in the European Union and unequal market insertion to choices made at the end of Empire (2017). Bhambra invokes Empire and how it contributed to the development of a racialized national identity when accounting for xenophobia in the United Kingdom (2017).

The above are lines of inquiry worth pursuing, but they do not challenge the general validity of a parsimonious explanation of secessionism in multiethnic, multinational polities, focused on the combined effects of economic development relative to the core, lack of power to steer politics at the core of a union, and unequal market insertion. When one examines the European Union, the United Kingdom is the only state that combined the three elements. France does not show similar rates of social exclusion and has always been a powerful actor in European Union politics. One potential explanation for dramatic declines in levels of support since 1990 may, in fact, be France's loss of power in the European Union relative to Germany after its reunification. It is conceivable that Brexit, by strengthening the relative role of France in this political union, may lead to a reversal in this trend. One potential explanation for steady, even increasing, support for European Union membership in Germany, in spite of rapidly increasing rates of social exclusion, is its hegemonic status. The challenge for those interested in explaining the United Kingdom's decision to leave the European Union will be to try to knit together the general theory outlined in this paper with historically and culturally sensitive accounts of attitudes to European integration and the European Union in this country.

Conclusion

This paper has tackled and solved a paradox: the paradox that centrifugal forces are usually greatest in relatively prosperous regions and countries. It draws from recent large-N empirical analysis of secessionism that has emphasized the role of intraregional economic inequality and proposes that the key variable is not economic inequality but the prevalence of material insecurity in the population of wealthy regions. When collective wealth in a region or country coincides with a very significant concentration of wealth in a few hands, those excluded from this wealth have the motivation and the collective resources to mobilize and can be relatively confident in the viability of independence. A corollary of this observation is that one should also expect intense centrifugal forces in overdeveloped regions or countries experiencing a recession or sudden drastic decline in the living standards of the population. This is again because the combination of widely shared grievances and collective resources provide the impetus for the movement toward independence, the resources necessary to mobilize, and the confidence that an independent state will be viable. Further empirical analysis is needed to contrast the validity of the argument laid out above. The high empirical correlation between levels of economic inequality and the prevalence of material insecurity in a population suggests, however, that this analysis will support the argument that unequal market insertion is a key factor in the explanation of secessionism.

One policy implication of the argument developed in this paper is that governments in multiethnic, multinational polities are well-advised to reduce rates of material deprivation in sensitive regions to a minimum, just as they are well-advised to implement interregional redistributive policies that benefit poorer regions but do not alienate the wealthier ones. This may be more feasible in polities where social policy is centralized than in those where the main competences are in the hands of regional governments. The European Union illustrates the stabilizing impact of central social legislation and policies and its limits in a highly decentralized polity. The discussion of the United Kingdom's relationship with the European Union has shown that popular support for membership reached its apex when the then President of the European Commission, Jacques Delors, engaged himself to promote an ambitious European social agenda that would be especially beneficial to British workers. That the European Union did not deliver on its promise and thus help to nurture dreams of secession among the British lower classes reflects the neoliberal turn that followed Jacques Delors's departure but also the systematic boycotting of this social agenda by the United Kingdom's successive governments. For those who support further European integration, the British example should serve as a warning of the need to strengthen the European Union's social orientation and social institutions.

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