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# 10 YEARS AFTER BREXIT: AN ECONOMIC ASSESSMENT

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The referendum that decided the United Kingdom's exit from the European Union (a process commonly referred to as Brexit) took place on June 23, 2016. Brexit supporters presented a series of economic arguments to convince the British population. These arguments are very varied and, precisely because they were formulated by people belonging to a broad political spectrum, may seem contradictory in many cases. More than 6 years after the official withdrawal of the United Kingdom from the European Union on January 31, 2020, this article aims to assess the economic consequences of Brexit and, in particular, to confront the objectives initially attributed to Brexit with the observed reality. The focus of the article is on structural transformation and income distribution.

The structural change in UK economy, with a shift of the employment from industrial activities to services, has been observed since the 1960s. But, this a phenomenon experienced by many industrialised countries, accelerated with the neoliberal reforms of the 1980s and the growing waves of industrial relocation to other countries, mainly in Central and Eastern Europe and Asia. Despite the actual diversity of the UK industrial sector, especially in high-tech

activities, the services sector has decidedly become the more dynamic one since the 1980s. A specific feature of UK economy is the importance of the finance sector, thanks to the long-established tradition of the City and the insurance industry. Business services, the entertainment sector and information services are also well represented. This situation is reflected in the UK balance of payments.

These structural changes, along with the downsizing of the welfare state promoted by successive Conservative governments, which was not reversed by New Labour governments, led to increasing inequality in income distribution. This inequality transformed into growing contestation of the British economic model by those who suffered most from its consequences. Even coming from very diverse political camps and, in some cases, even opposite sides of the political spectrum, all Brexit supporters shared, from an economic point of view, a rejection, at least partial, of this model.

The paper is divided in three sections, besides the introduction and the conclusions. The first section is devoted to the economic conditions that contributed to Brexit are examined, from the neoliberal period inaugurated by the Thatcher government in 1979. The second section takes a closer look at the changes in the economic structure of UK economy in the last ten years, since Brexit vote, showing that the trends previously observed continue to deepen. Deindustrialisation has not stopped, nor have growing offshoring operations. The promise of British reindustrialisation made by Brexit supporters has not materialized, as an active industrial policy has not been adopted. The third section deals with the income distribution consequences of Brexit. It shows that the trend toward increasing inequality in income distribution, which is very pronounced even in regional terms, has deepened since Brexit.

Palavras-chave: brexit; income distribution; structural change; industrial policy.