

IPES 2021 Conference

Learning from Precedent: How Brexit Counteracts Nationalist Pressures in Other Countries

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Starting point: recent “**backlash against globalization**”

- ↗ Rise in the electoral success of **nationalist parties**.
- ↗ Proliferation of demands for **re-nationalization** and **national sovereignty**.

Reflects **heated debate** on the costs and benefits of globalization

- **Nationalist claim:** countries can do better on their own than by remaining integrated – and tied – into the multilateral system.
- **Globalist claim:** re-nationalization hurts countries because cooperation benefits >> costs of compromise.



Untested claims about the consequences of re-nationalization

- Globalization has decades only been moving forward → little empirical evidence on the effects of reversals.
- Now starting to change.
- **Electoral successes of nationalist parties** → increased implementation of re-nationalization policies (**withdrawals** from IOs and agreements).

Withdrawals from IOs = precedents

- Transmit **new information** about the *feasibility* and *desirability* of re-nationalization policies.

New information enables **policy learning**

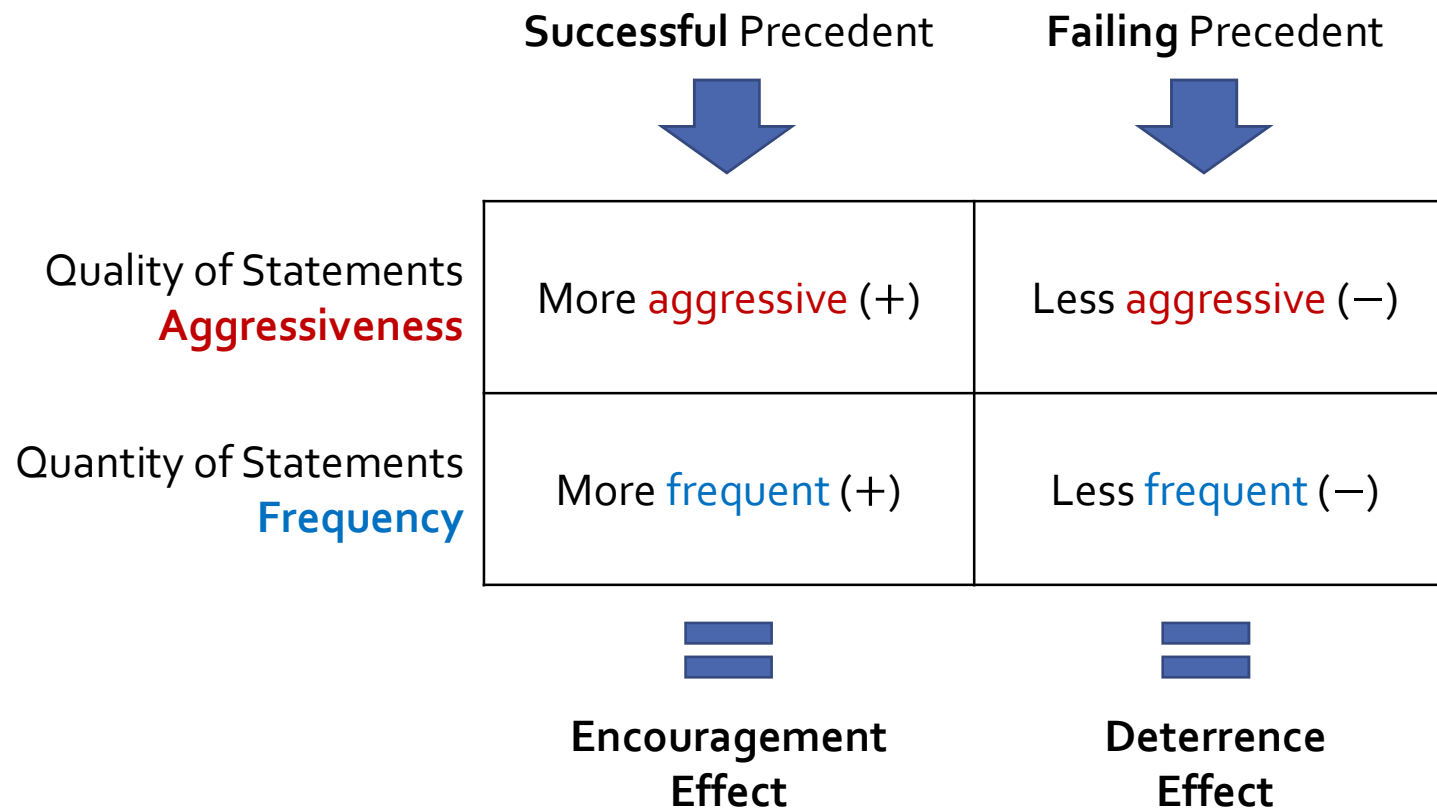
- Focus here on **nationalist parties** in **other countries**.
- **Transnational learning**: *similar* actors; effects on discourse about *similar* nationalist projects.

Research question: How do nationalist policy precedents in one country affect nationalist discourse in other countries?

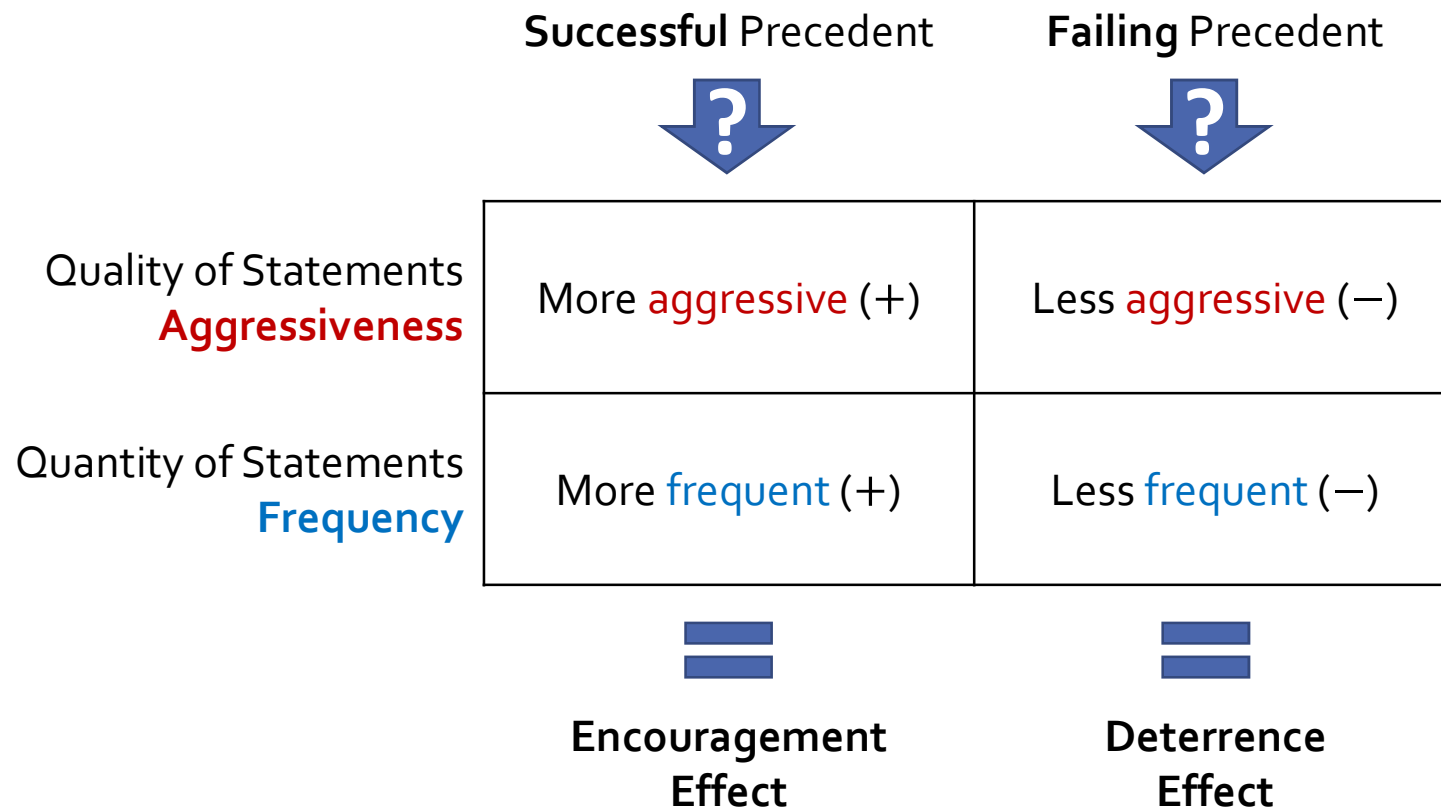
Argument: Contagion effects through learning

- **Successful** withdrawal episodes will **encourage** nationalists abroad.
- **Failing** withdrawal episodes will **deter** nationalists abroad.

Contagion effects: **Statements** and **demands**



Contagion effects: **Statements** and **demands**



Zooming in: What drives elite learning?

Two possible mechanisms:

- **Direct Learning:** Elite observations of other elites' policy performance abroad.
- **Indirect Learning:** Contagion via public opinion that feed into party discourse.

Brexit as an empirical case:

- Arguably the most far-reaching case of nationalist re-nationalization policy: **important & visible precedent**.
- **Variation over time** in quality of withdrawal experience (both encouragement/deterrence phases).
- Nationalist/eurosceptic parties throughout Europe → **observers/ potential learners**.

Analysis of political discourse in Austria, Germany, and Ireland*:

- **Party statements** → to see *policy positions* and *goals* over time (encouragement & deterrence)
- **News media analysis:** Most widely-circulated daily/weekly newspapers

**Country case selection to be extended*

Measuring party statements (*outcome of interest*):

- *Within selected newspapers*: Select **relevant articles** based on **search terms** (Brexit, withdrawal, nationalist, eurosceptic, etc.)
- *Within selected articles*: select **relevant sentences/passages** based on party and politician **dictionaries**
- Then: **hand-code information** based on **6 dimensions**:

Variable	Explanation	Example 1	Example 2	Example 3
<i>Subject</i>	The speaker or actor – the person or entity making a statement or being reported to perform an action.	<i>Nationalist party</i>	<i>Established party</i>	<i>Media</i>
<i>Object</i>	The object of statement or action – the person or entity that is spoken about or the target of the action.	<i>EU</i>	<i>UK</i>	<i>EU</i>
<i>Context</i>	The policy context in which the speaker's statement or action takes place.	<i>Brexit</i>	<i>Brexit</i>	<i>Nationalist party</i>
<i>Warmth</i>	The (explicit or implicit) friendliness of the subject's relation to the object.	<i>Cold</i>	<i>Neutral</i>	<i>Warm</i>
<i>Action</i>	Speaker's (cited) action or type of statement.	<i>Demand</i>	<i>Offer</i>	<i>Worry</i>
<i>Goal</i>	Speaker's (explicit or implicit) policy goal.	<i>Leave</i>	<i>Delay</i>	<i>EU unity</i>

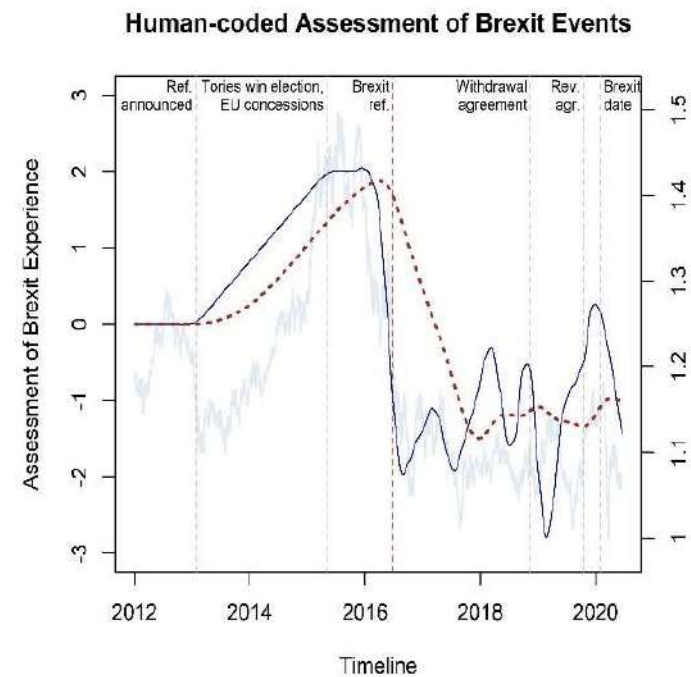
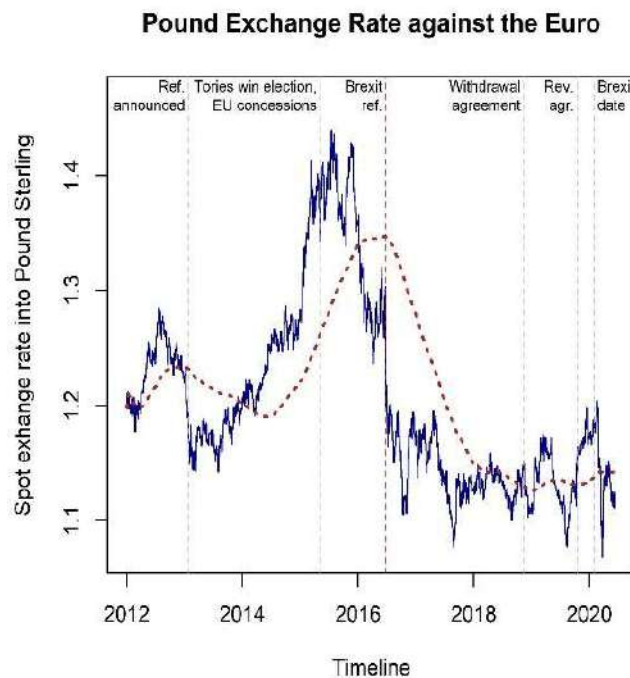
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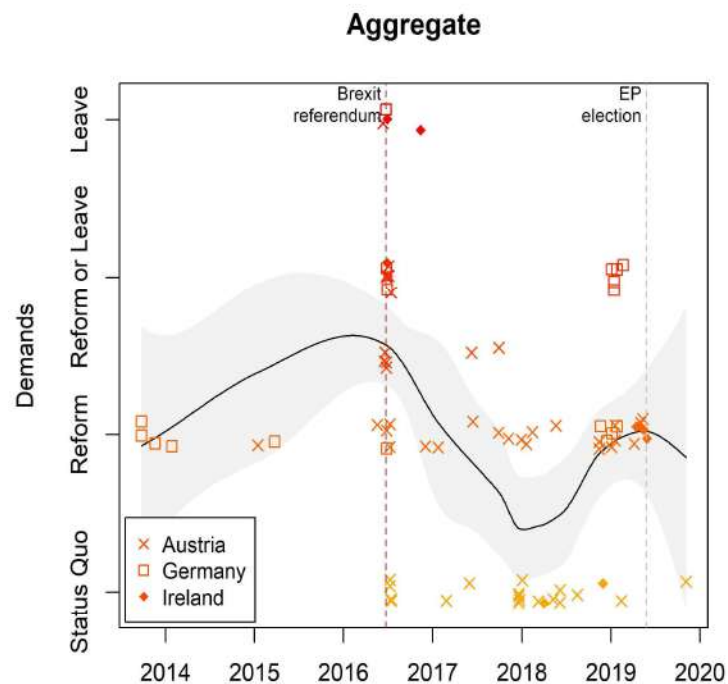
How well is Brexit going for the UK? (*input – source of learning*):

- Measure: *Cumulative information* generated by Brexit events
- Backward-looking moving average of events rating → **dotted red line**



Aggressiveness of nationalist/eurosceptic demands toward the EU:

- *Subject* = Nationalist party, *Object* = EU, *Demands* coded as: "SQ," "Reform," "Leave if no reform," "Leave irrespective of reform."

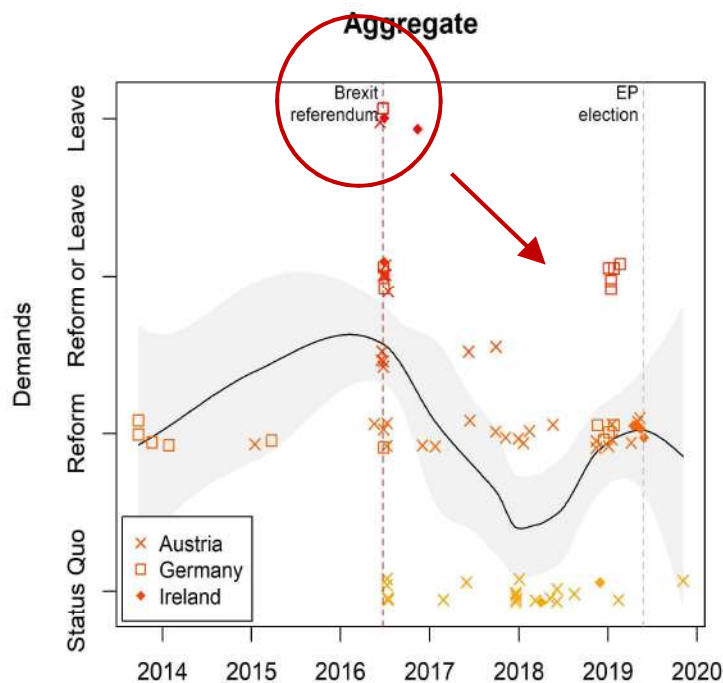


What do we see?

- **Initially:** *encouragement* immediately following Leave vote: More/most extreme demands of entire time line.
- **Later** (as Brexit goes worse): clear moderation of demands → *deterrence*
- + some increase in aggressiveness before EP elections – but never back to mid-2016 levels.

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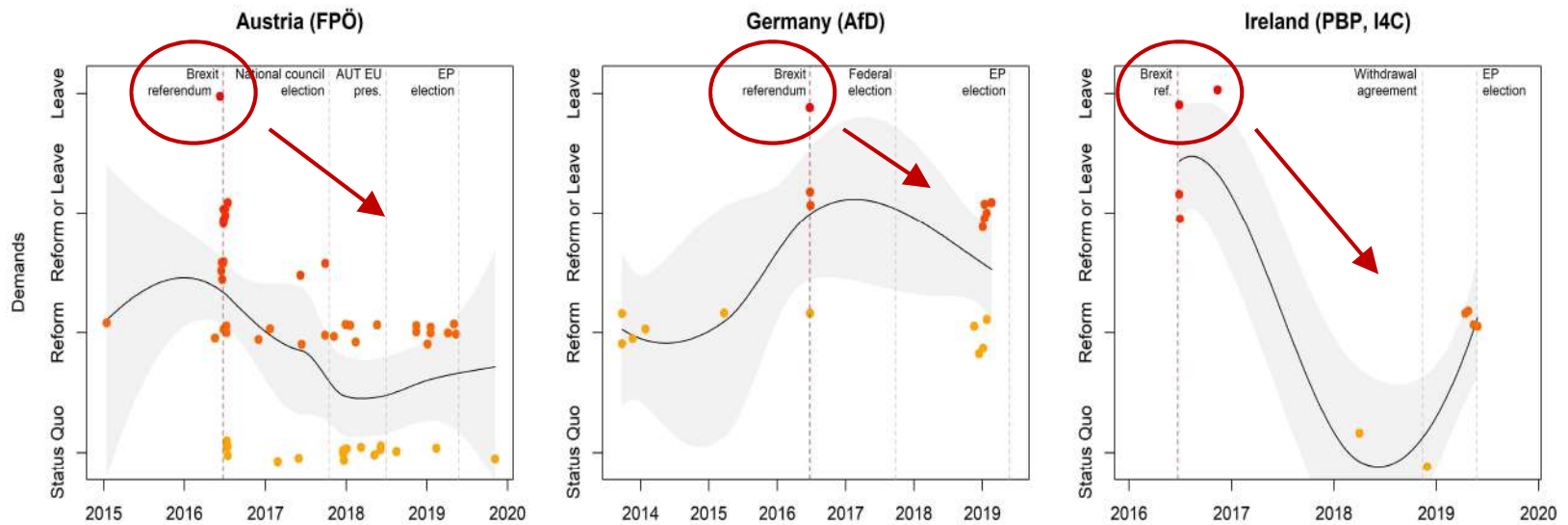


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Decreasing aggressiveness of nationalist/eurosceptic demands toward the EU:

- Pattern visible in *any* individual country case as well.
- General pattern, results not driven by individual country case.



Aggressiveness of nationalist/eurosceptic demands toward the EU:

Nationalist Parties – Aggressiveness of Demands toward the EU

	Brexit evaluation (exchange-rate)			Brexit evaluation (hand-coded)		
	baseline	full	full + FE	baseline	full	full + FE
Intercept	-3.278** (1.041)	-9.48*** (1.622)	0.233 (12.265)	1.097*** (0.079)	-3.012 (1.521)	10.963 (13.473)
Brexit evaluation (X-rate)	3.57*** (0.848)	5.027*** (1.157)	4.808** (1.59)			
Brexit evaluation (Hand-coded)				0.275*** (0.059)	0.328*** (0.084)	0.374** (0.123)
Public Opinion (EU good/bad)		2.156** (0.806)	-2.111 (4.719)		2.006* (0.857)	-5.289 (5.288)
Economy (GPD growth in %)		-0.165 (0.141)	-0.414 (0.248)		-0.135 (0.15)	-0.387 (0.252)
Bargaining power rel. to EU (% of GDP)		-0.041 (0.028)	-0.024 (2.86)		-0.043 (0.029)	0.72 (2.859)
National elections (run up)		0.479 (0.328)	0.357 (0.359)		0.537 (0.341)	0.429 (0.36)
Country FE	N	N	Y	N	N	Y
Newspaper FE	N	N	Y	N	N	Y
<i>N</i>	83	59	59	83	59	59
<i>R</i> ²	0.179	0.464	0.52	0.208	0.436	0.521

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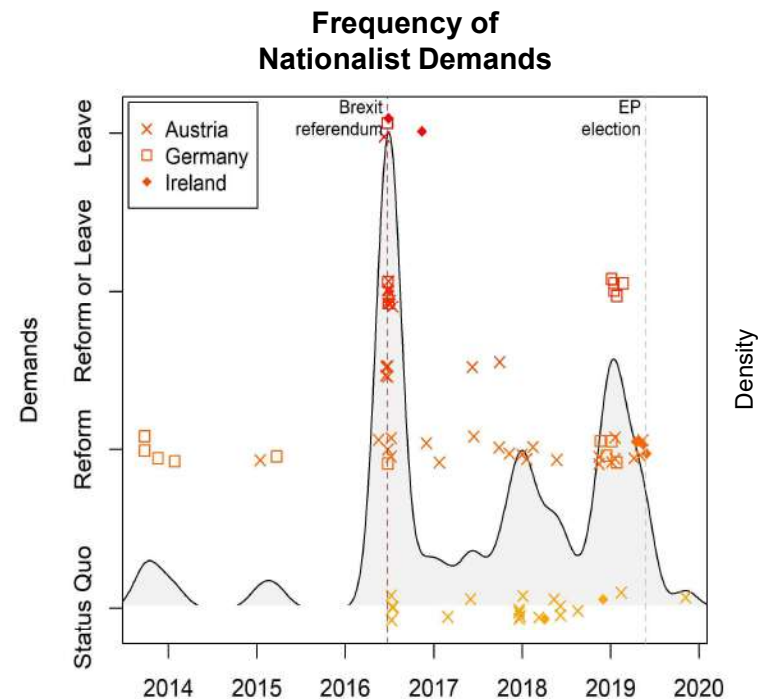
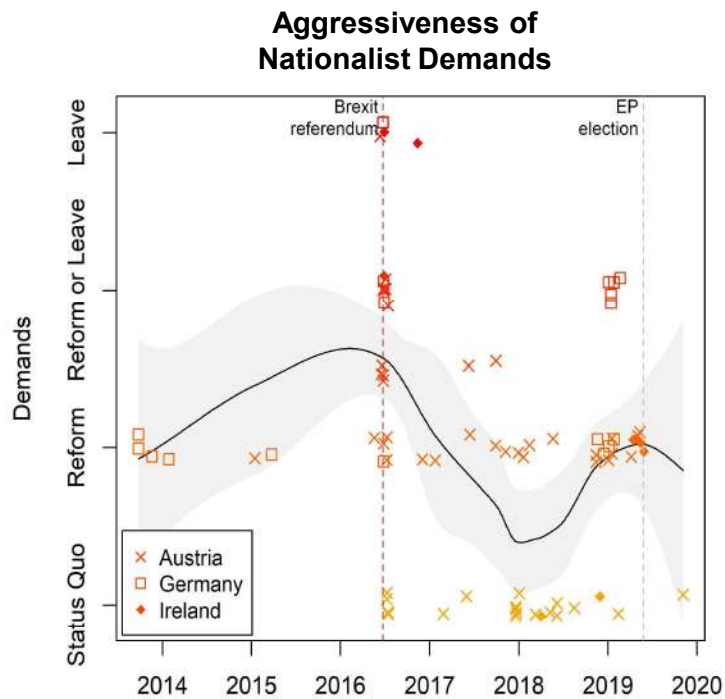
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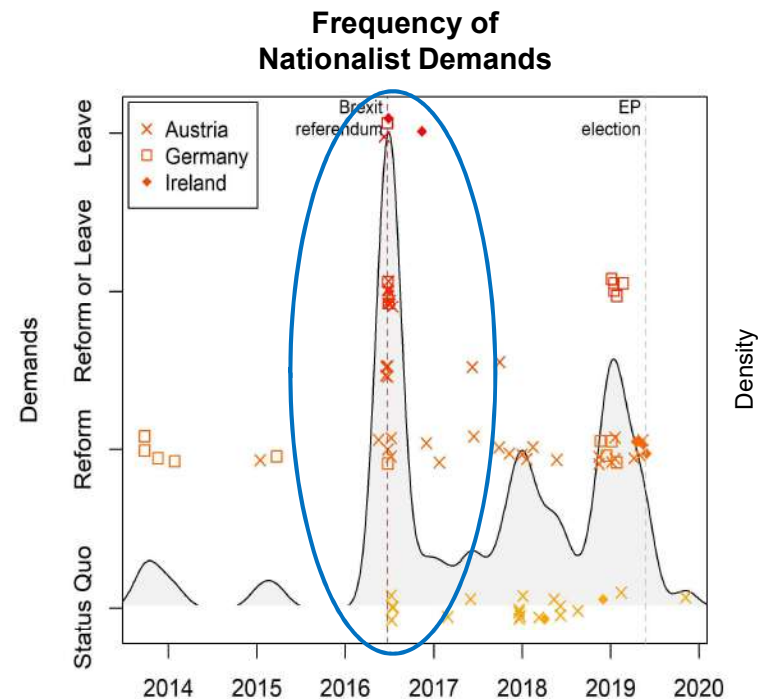
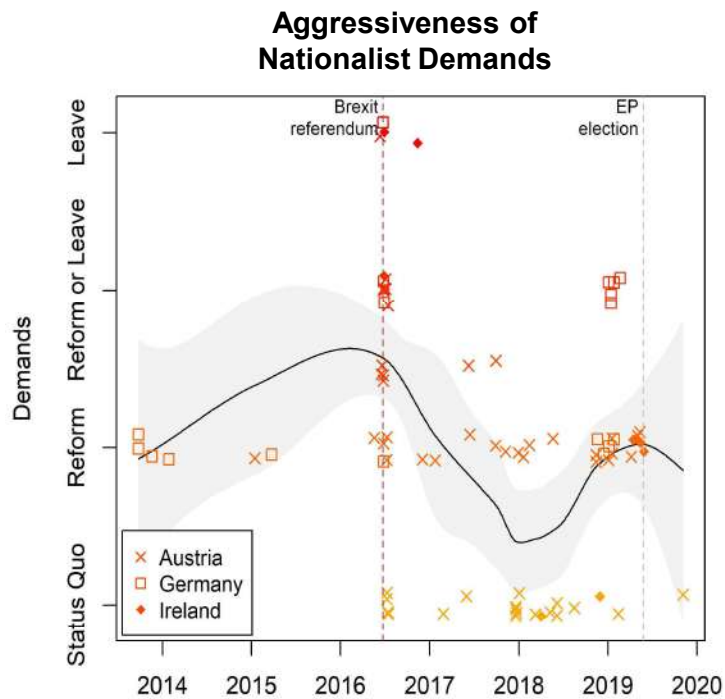
Frequency of nationalist/eurosceptic demands toward the EU:

- A **second dimension** of encouragement and deterrence: The *frequency* of demands
- **Not *what*** nationalists say, **but *how much*** they talk (quality → quantity)



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Nationalist Parties – Frequency of Demands toward the EU

		Brexit evaluation (exchange-rate)			Brexit evaluation (hand-coded)		
		baseline	full	full + FE	baseline	full	full + FE
Intercept		-68.24*** (7.013)	-88.018*** (12.767)	11.352 (89.152)	7.868*** (0.559)	14.947 (12.694)	187.683 (97.027)
Direct (policy learning) mechanism	Brexit evaluation (X-rate)	62.12*** (5.714)	79.679*** (9.108)	78.078*** (11.557)	4.339*** (0.421)	5.253*** (0.699)	6.123*** (0.889)
	Brexit evaluation (Hand-coded)						
Indirect mechanism	Public Opinion (EU good/bad)		-3.266 (6.345)	-65.404 (34.299)		-5.936 (7.151)	-118.10** (38.085)
	Economy (GPD growth in %)		1.558 (1.108)	-1.407 (1.805)		2.09 (1.253)	-0.939 (1.817)
	Bargaining power rel. to EU (% of GDP)		0.12 (0.224)	17.006 (20.789)		0.099 (0.245)	29.141 (20.59)
	National elections (run up)		-2.075 (2.584)	-2.446 (2.609)		-1.101 (2.841)	-1.266 (2.596)
	Country FE	N	N	Y	N	N	Y
Newspaper FE	N	N	Y	N	N	Y	
<i>N</i>		83	59	59	83	59	59
<i>R</i> ²		0.593	0.647	0.731	0.568	0.583	0.736

How do **nationalist policy precedents** against international institutions in one country affect nationalist discourse elsewhere?

- Depends on how well re-nationalization is going.
- Encouragement and deterrence possible.
- Transmission through direct or indirect channels.

Implications for the stability of multilateralism

- Successful re-nationalization can destabilize the entire system.
- Unsuccessful re-nationalization processes may stabilize the system (backlash against backlash).

Thanks for your attention!

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Appendix

How well is Brexit going for the UK? (*Input – source of learning*):

- **Measure:** *Cumulative information* generated by Brexit events
- Backward-looking moving average of events rating → **dotted red line**

Pound Exchange Rate against Basket of Major Currencies



Example:

- for any point in time such as **point A**
- calculate average of day-to-day values (**blue line**) for past x years
- x = 1.5 years in baseline specification

Table A5: Nationalist Challenger Parties – **Aggressiveness of Demands toward the EU**

	Brexit evaluation (exchange-rate)			Brexit evaluation (hand-coded)		
	baseline	full	full + FE	baseline	full	full + FE
Brexit evaluation (X-rate)	3.57*** (0.848)	6.216* (2.438)	4.114 (2.755)			
Brexit evaluation (Hand-coded)				0.275*** (0.059)	0.398* (0.152)	0.28 (0.164)
Public Opinion (Stay in EU - opinions)		0.034 (0.148)	0.036 (0.143)		0.008 (0.136)	0.037 (0.132)
Economy (GPD growth in %)		0.112 (0.118)	-0.303 (0.305)		0.109 (0.117)	-0.258 (0.304)
Bargaining power rel. to EU (% of GDP)		0.03 (0.019)	-3.699 (6.661)		0.027 (0.02)	-4.74 (6.351)
National elections (run up)		0.368 (0.388)	0.292 (0.383)		0.443 (0.398)	0.352 (0.387)
Germany		-0.918 (1.004)	0.962 (1.413)		-1.077 (1.007)	0.867 (1.408)
Ireland			69.188 (123.541)			88.475 (117.788)
Intercept	-3.278** (1.041)	-9.513 (13.061)	2.823 (20.955)	1.097*** (0.079)	0.01 (9.495)	10.247 (16.103)
Country FE	N	N	Y	N	N	Y
Newspaper FE	N	N	Y	N	N	Y
<i>N</i>	83	57	57	83	57	57
<i>R</i> ²	0.179	0.384	0.513	0.208	0.388	0.52

Table A6: Nationalist Challenger Parties – Frequency of Demands toward the EU

	Brexit evaluation (exchange-rate)			Brexit evaluation (hand-coded)		
	baseline	full	full + FE	baseline	full	full + FE
Brexit evaluation (X-rate)	62.12*** (5.714)	120.535*** (14.514)	112.05*** (16.562)			
Brexit evaluation (Hand-coded)				4.339*** (0.421)	7.219*** (0.962)	6.44*** (1.038)
Public Opinion (Stay in EU - opinions)		3.553*** (0.879)	3.704*** (0.86)		2.659** (0.859)	3.015*** (0.836)
Economy (GPD growth in %)		0.506 (0.7)	0.227 (1.834)		0.407 (0.739)	1.238 (1.922)
Bargaining power rel. to EU (% of GDP)		0.205 (0.116)	-42.941 (40.047)		0.168 (0.123)	-81.88* (40.123)
National elections (run up)		0.406 (2.312)	-0.077 (2.302)		1.255 (2.513)	0.617 (2.447)
Germany		-3.124 (5.977)	-0.592 (8.496)		-5.755 (6.362)	-0.754 (8.893)
Ireland			798.925 (742.771)			1520.69* (744.172)
Intercept	-68.24*** (7.013)	-390.725*** (77.755)	-285.186* (125.989)	7.868*** (0.559)	-178.98** (59.966)	-7.41 (101.735)
Country FE	N	N	Y	N	N	Y
Newspaper FE	N	N	Y	N	N	Y
N	83	57	57	83	57	57
R ²	0.593	0.669	0.714	0.568	0.718	0.779

Table A7: Nationalist Challenger Parties – **Aggressiveness** of Demands toward the EU

	Brexit evaluation (exchange-rate)			Brexit evaluation (hand-coded)		
	baseline	full	full + FE	baseline	full	full + FE
Brexit evaluation (X-rate)	3.57*** (0.848)	4.771*** (1.193)	4.457* (2.063)			
Brexit evaluation (Hand-coded)				0.275*** (0.059)	0.31*** (0.086)	0.33^ (0.167)
Public Opinion (EU good/bad - lagged)		2.414** (0.885)	0.054 (5.693)		2.306* (0.941)	-1.59 (6.649)
Economy (GPD growth in %)		-0.171 (0.141)	-0.433 (0.257)		-0.148 (0.15)	-0.428 (0.266)
Bargaining power rel. to EU (% of GDP)		-0.044 (0.029)	0.227 (2.929)		-0.047 (0.03)	0.949 (2.915)
National elections (run up)		0.476 (0.327)	0.359 (0.36)		0.532 (0.339)	0.423 (0.365)
Germany			-4.606 (54.545)			-17.134 (54.107)
Ireland			2.061 (2.977)			3.325 (3.472)
Intercept	-3.278** (1.041)	-9.737*** (1.661)	-4.416 (13.774)	1.097*** (0.079)	-3.653* (1.712)	2.821 (16.47)
Country FE	N	N	Y	N	N	Y
Newspaper FE	N	N	Y	N	N	Y
N	83	59	59	83	59	59
R ²	0.179	0.466	0.518	0.208	0.441	0.511

Table A8: Nationalist Challenger Parties – Frequency of Demands toward the EU

	Brexit evaluation (exchange-rate)			Brexit evaluation (hand-coded)		
	baseline	full	full + FE	baseline	full	full + FE
Brexit evaluation (X-rate)	62.12*** (5.714)	80.236*** (9.405)	86.867*** (15.055)			
Brexit evaluation (Hand-coded)				4.339*** (0.421)	5.273*** (0.724)	6.728*** (1.24)
Public Opinion (EU good/bad - lagged)		-3.921 (6.98)	-72.332 (41.545)		-6.14 (7.892)	-113.65* (49.379)
Economy (GPD growth in %)		1.597 (1.109)	-1.017 (1.875)		2.046 (1.258)	-0.68 (1.974)
Bargaining power rel. to EU (% of GDP)		0.132 (0.229)	14.213 (21.378)		0.093 (0.251)	27.999 (21.652)
National elections (run up)		-2.078 (2.581)	-2.387 (2.625)		-1.077 (2.843)	-1.073 (2.711)
Germany			-230.358 (398.077)			-464.249 (401.86)
Ireland			44.481* (21.728)			73.196** (25.786)
Intercept	-68.24*** (7.013)	-87.362*** (13.092)	22.173 (100.525)	7.868*** (0.559)	15.617 (14.361)	182.821 (122.325)
Country FE	N	N	Y	N	N	Y
Newspaper FE	N	N	Y	N	N	Y
N	83	59	59	83	59	59
R ²	0.593	0.647	0.727	0.568	0.582	0.713

Text-Corpus Sources - Daily Newspapers by Country

Country	Newspaper	Ideological leaning
Austria	<i>Der Standard</i>	liberal
Austria	<i>Die Presse</i>	liberal, center-right
Austria	<i>Kurier</i>	liberal
Germany	<i>BILD</i>	center-right
Germany	<i>Die Welt</i>	center-right
Germany	<i>Süddeutsche Zeitung</i>	center-left
Germany	<i>Handelsblatt</i>	liberal
Ireland	<i>Irish Daily Mail</i>	center-right
Ireland	<i>Irish Independent</i>	center-right
Ireland	<i>The Irish Times</i>	liberal

Notes: Newspaper selection based on largest (highest circulation) nation-wide appearing dailies. Selection also reflects some availability constraints and an effort to achieve somewhat balanced leaning distribution.

Text-Corpus Search Terms – Selection Criteria for Corpus Documents

Search terms packages	Package content
<p>(Brexit OR (UK OR United Kingdom OR Britain) w/5 (EU OR European Union) w/5 (withdraw* OR leav* OR ((remain* OR continu*) w/5 member*)) OR (UK OR United Kingdom OR Britain) w/5 ((referendum OR renegotiat*) w/5 member* w/5 (EU OR European Union)) OR (UK OR United Kingdom OR Britain) w/5 (relations OR relationship w/1 (with OR to)) w/5 (EU OR European Union OR Europe))</p> <p style="text-align: center;">OR</p> <p>(XXX w/5 (EU OR European Union) w/5 (withdraw* OR leav* OR ((remain* OR continu*) w/5 member*)) OR YYY w/5 (relations OR relationship OR public opinion OR attitude w/1 (with OR to)) w/5 (EU OR European Union OR Europe)) OR (XXX w/5 (referendum OR renegotiat*) AND member* w/5 (EU OR European Union) OR YYY w/5 ((EU OR Europ*) w/5 integration))</p> <p style="text-align: center;">OR</p> <p>(XXX w/10 ((euro-sceptic* OR anti-euro* OR euro-phil* OR pro-euro*) OR (eurosceptic* OR antieuro* OR europhil* OR proeuro*))) OR ZZZ</p>	<p><i>Brexit and the UK's withdrawal from the EU</i></p> <p><i>The target country's (potential) withdrawal from the EU</i></p> <p><i>Euroscepticism in the target country generally</i></p>

Notes: AND = Boolean 'and', OR = Boolean 'or'; * = wildcard; w/5 = 'within 5' (requirement for expressions to the left and right to be found within 5 words of each other); XXX = placeholder for country name wildcard (e.g., Ireland*); YYY = placeholder for country name wildcard of country adjective (e.g., Ireland* OR Irish); ZZZ = placeholder for country 'Brexit' equivalent (e.g., I Brexit).

Coding Scheme – Variables, Variables Values, and Value Frequencies

Subject	Object	Context	Warmth	Action	Goal
National established party (454)	EU (491)	Brexit (843)	Cold; negative (521)	Express worry (209)	EU unity; coherence (281)
Media; commentary (334)	UK leadership (388)	EU generally (164)	Neutral (503)	Diplomacy (206)	Manage Brexit (136)
EU politician (196)	National challenger Party (134)	National challenger party (124)	Warm; positive (248)	Statement (197)	No hard Brexit (88)
UK established party (145)	National established party (103)	Refugees and immigration (105)		Critique (161)	EU reform (85)
National challenger party (100)	Brexit process (88)	Elections (58)		Demand (147)	Concessions (63)
Economy; business (19)	Economy; business (28)	Euro crisis (38)		Express optimism (62)	Refugee and immigration policies (41)
UK challenger party (13)	Political system (15)			Deny (54)	Political system stability (33)
Scotland (10)				Be in dissent (54)	Peace (Irish-Irish border) (31)
				Report dissent (media) (48)	Leave the EU (34)
				Make offer (25)	(No) hard Brexit (dissent) (24)
				Express warning (22)	Brexit delay (24)
				Cite poll (media) (21)	Established party not being driven by challenger party (23)
				Concede (21)	No higher payments (EU budget) (21)
					Healthy economy; business (17)
					No cherry picking (17)
					No re-negotiation (17)
					Keep close relations to UK (16)
					No deeper EU integration (15)
					Win UK finance sector (11)
					EU reform or leave (challenger party) (16)